MODEL SERVICES AGREEMENT

DATED 20

(1) THE SECRETARY OF STATE FOR EDUCATION

and

(2) TATA CONSULTANCY SERVICES

AGREEMENT

relating to

AGREEMENT FOR THE PROVISION OF ADMINISTRATION SERVICES IN RELATION TO THE TEACHERS' PENSION SCHEME (ENGLAND AND WALES)

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THIS AGREEMENT is made on 20

BETWEEN:

(1) **THE SECRETARY OF STATE FOR EDUCATION** (acting through the Department for Education) of Sanctuary Buildings, Great Smith Street, London SW1P 3BT (the "**Authority**"); and

(2) **TATA CONSULTANCY SERVICES LIMITED,** incorporated and registered in India with company number 11-84781 whose registered office is at Nirmal Building, 9th Floor, Nariman Point, Mumbai, 400 021, India acting through its UK branch having its office located at 18 Grosvenor Place, London, SW1X 7HS with branch registration number 007627(the "**Supplier**")

(each a "**Party**" and together the "**Parties**").

INTRODUCTION

(A) The Teachers' Pension Scheme (the "Scheme") is an unfunded pension scheme for teachers in England and Wales. The Authority is responsible for overseeing the proper administration of the Scheme, and has chosen to discharge its responsibility by appointing a contractor to provide administration services for the Scheme.

(B) On 20th August 2021 the Authority advertised in Find a Tender Publication (reference: 2021/S 000-020544), inviting prospective suppliers to submit proposals for the administration of the Scheme.

(C) The Supplier is a provider of *Pension Administration Services*

(D) On the basis of the Supplier's response to the advertisement and a subsequent tender process, the Authority selected the Supplier as its preferred supplier.

(E) Following negotiations, the Parties have agreed to contract with each other in accordance with the terms and conditions set out below

IT IS AGREED as follows:

SECTION A – PRELIMINARIES

1 **DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement, unless otherwise provided or the context otherwise requires, capitalised expressions shall have the meanings set out in Schedule 1 (*Definitions*) or the relevant Schedule in which that capitalised expression appears.

1.2 In this Agreement, unless the context otherwise requires:

(a) the singular includes the plural and vice versa;

(b) reference to a gender includes the other gender and the neuter;

(c) references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Central Government Body;

(d) a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;

(e) any reference in this Agreement which immediately before Exit Day was a reference to (as it has effect from time to time):

(i) any EU regulation, EU decision, EU tertiary legislation or provision of the European Economic Area ("**EEA**") agreement ("**EU References**") which is to form part of domestic law by application of section 3 of the European Union (Withdrawal) Act 2018 shall be read on and after Exit Day as a reference to the EU References as they form part of domestic law by virtue of section 3 of the European Union (Withdrawal) Act 2018 as modified by domestic law from time to time; and

(ii) any EU institution or EU authority or other such EU body shall be read on and after Exit Day as a reference to the UK institution, authority or body to which its functions were transferred;

(f) the words "**including**", "**other**", "**in particular**", "**for example**" and similar words shall not limit the generality of the preceding words and shall be construed as if they were immediately followed by the words "without limitation";

(g) references to "**writing**" include typing, printing, lithography, photography, display on a screen, electronic and facsimile transmission and other modes of representing or reproducing words in a visible form, and expressions referring to writing shall be construed accordingly;

(h) the headings are for ease of reference only and shall not affect the interpretation or construction of this Agreement;

(i) unless otherwise provided and save for references in Annexes 1 to 2 of Schedule 5 (*Software*), references to Clauses and Schedules are references to the clauses and schedules of this Agreement and references in any Schedule to Paragraphs, Parts and Annexes are, unless otherwise provided, references to the paragraphs, parts and annexes of the Schedule or the Part of the Schedule in which the references appear; and

(j) references to this Agreement are references to this Agreement as amended from time to time.

1.3 Where a standard, policy or document is referred to in this Agreement by reference to a hyperlink, then if the hyperlink is changed or no longer provides access to the relevant standard, policy or document, the Supplier shall notify

the Authority and the Parties shall update this Agreement with a reference to the replacement hyperlink.

1.4 If there is any conflict between the Clauses and the Schedules and/or any Annexes to the Schedules, the conflict shall be resolved in accordance with the following order of precedence:

(a) the Clauses and Schedule 1 (*Definitions*);

(b) Schedule 2.1 (*Services Description*) and Schedule 2.2 (*Performance Levels*) and their Annexes;

(c) any other Schedules and their Annexes (other than Schedule 4.1 (*Supplier Solution*) and its Annexes); and

(d) Schedule 4.1 (*Supplier Solution*) and its Annexes (if any).

(e) any other document referred to in this Agreement or any other document attached to this Agreement.

1.5 The Schedules and their Annexes form part of this Agreement.

1.6 In entering into this Agreement the Authority is acting as part of the Crown.

2 DUE DILIGENCE

2.1 The Supplier acknowledges that, subject to the Allowable Assumptions:

(a) the Authority has delivered or made available to the Supplier all of the information and documents that the Supplier considers necessary or relevant for the performance of its obligations under this Agreement;

(b) it has made its own enquiries to satisfy itself as to the accuracy and adequacy of the Due Diligence Information;

(c) it has satisfied itself (whether by inspection or having raised all relevant due diligence questions with the Authority before the Effective Date) of all relevant details relating to:

(i) the Authority Requirements;

(ii) the suitability of the existing and (to the extent that it is defined or reasonably foreseeable at the Effective Date) future Operating Environment;

(iii) the operating processes and procedures and the working methods of the Authority;

(iv) the ownership, functionality, capacity, condition and suitability for use in the Services of the Authority Assets; and

(v) the existing contracts (including any licences, support, maintenance and other agreements relating to the Operating Environment) referred to in the Due Diligence Information

which may be novated to, assigned to or managed by the Supplier under this Agreement and/or which the Supplier will require the benefit of for the provision of the Services; and

(d) it has advised the Authority in writing of:

(i) each aspect, if any, of the Operating Environment that is not suitable for the provision of the Services;

(ii) the actions needed to remedy each such unsuitable aspect; and

(iii) a timetable for and, to the extent that such costs are to be payable to the Supplier, the costs of those actions,

and such actions, timetable and costs are fully reflected in this Agreement, including the Services Description and/or Authority Responsibilities as applicable.

2.2 The Supplier shall not be excused from the performance of any of its obligations under this Agreement on the grounds of, nor, subject to Clause 2.3, shall the Supplier be entitled to recover any additional costs or charges, arising as a result of:

(a) any unsuitable aspects of the Operating Environment;

(b) any misinterpretation of the Authority Requirements; and/or

(c) any failure by the Supplier to satisfy itself as to the accuracy and/or adequacy of the Due Diligence Information.

2.3 The Parties shall comply with the provisions of Paragraph 6 of Part C of Schedule 7.1 (*Charges and Invoicing*) in relation to the verification of any Allowable Assumptions.

3 WARRANTIES

3.1 The Authority represents and warrants that:

(a) it has full capacity and authority to enter into and to perform this Agreement;

(b) this Agreement is executed by its duly authorised representative;

(c) there are no actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, threatened against it that might affect its ability to perform its obligations under this Agreement; and

(d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar Laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general

application (regardless of whether enforcement is sought in a proceeding in equity or law).

3.2 The Supplier represents and warrants that:

(a) it is validly incorporated, organised and subsisting in accordance with the Laws of its place of incorporation;

(b) it has full capacity and authority to enter into and to perform this Agreement;

(c) this Agreement is executed by its duly authorised representative;

(d) it has all necessary consents and regulatory approvals to enter into this Agreement;

(e) it has notified the Authority in writing of any actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, any threatened against it or any of its Affiliates that might affect its ability to perform its obligations under this Agreement;

(f) its execution, delivery and performance of its obligations under this Agreement will not constitute a breach of any Law or obligation applicable to it and will not cause or result in a default under any agreement by which it is bound;

(g) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar Laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or law);

(h) all written statements and representations in any written submissions made by the Supplier as part of the procurement process, including without limitation its response to the selection questionnaire and ITT, its tender and any other documents submitted remain true and accurate except to the extent that such statements and representations have been superseded or varied by this Agreement or to the extent that the Supplier has otherwise disclosed to the Authority in writing prior to the date of this Agreement;

(i) it has notified the Authority in writing of any Occasions of Tax Non-Compliance and any litigation in which it is involved that is in connection with any Occasion of Tax Non-Compliance;

(j) it has all necessary rights in and to the Licensed Software, the Third Party IPRs, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-contractor) to the

Authority which are necessary for the performance of the Supplier's obligations under this Agreement and/or the receipt of the Services by the Authority;

(k) the Contract Inception Report is a true and accurate reflection of the Costs and Supplier Profit Margin forecast by the Supplier and the Supplier does not have any other internal financial model in relation to the Services inconsistent with the Financial Model;

(l) it is not subject to any contractual obligation, compliance with which is likely to have a material adverse effect on its ability to perform its obligations under this Agreement;

(m) no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge, are threatened) for the winding up of the Supplier or for its dissolution or for the appointment of a receiver, administrative receiver, liquidator, manager, administrator or similar officer in relation to any of the Supplier's assets or revenue; and

(n) within the previous 12 months, no Financial Distress Events have occurred or are subsisting (or any events that would be deemed to be Financial Distress Events under this Agreement had this Agreement been in force) and there are currently no matters that it is aware of that could cause a Financial Distress Event to occur or subsist.

3.3 The representations and warranties set out in Clause 3.2 shall be deemed to be repeated by the Supplier on the Effective Date (if later than the date of signature of this Agreement) by reference to the facts then existing.

3.4 Each of the representations and warranties set out in Clauses 3.1 and 3.2 shall be construed as a separate representation and warranty and shall not be limited or restricted by reference to, or inference from, the terms of any other representation, warranty or any other undertaking in this Agreement.

3.5 If at any time a Party becomes aware that a representation or warranty given by it under Clause 3.1 or 3.2 has been breached, is untrue or is misleading, it shall immediately notify the other Party of the relevant occurrence in sufficient detail to enable the other Party to make an accurate assessment of the situation.

3.6 For the avoidance of doubt, the fact that any provision within this Agreement is expressed as a warranty shall not preclude any right of termination which the Authority may have in respect of breach of that provision by the Supplier.

3.7 Except as expressly stated in this Agreement, all warranties and conditions whether express or implied by statute, common law or otherwise are hereby excluded to the extent permitted by Law.

SECTION B – THE SERVICES

4 TERM

4.1 This Agreement shall:

(a) come into force on the Effective Date, save for Clauses 1 (*Definitions and Interpretation*), 3 (*Warranties*), 4 (*Term*), 22 (*Confidentiality*), 23 (*Transparency and Freedom of Information*), 25 (*Publicity and Branding*), 26 (*Limitations on Liability*), 38 (*Waiver and Cumulative Remedies*), 39 (*Relationship of the Parties*), 41 (*Severance*), 43 (*Entire Agreement*), 44 (*Third Party Rights*), 45 (*Notices*), 46 (*Disputes*) and 47 (*Governing Law and Jurisdiction*), which shall be binding and enforceable as between the Parties from the date of signature; and

(b) unless terminated at an earlier date by operation of Law or in accordance with Clause 34 (*Termination Rights*), terminate:

(i) at the end of the Initial Term; or

(ii) if the Authority elects to extend the Initial Term by giving the Supplier at least 60 Working Days' notice before the end of the Initial Term, at the end of the Extension Period; or

(iii) if the Authority elects to extend any Extension Period by giving the Supplier at least 60 Working Days' notice before the end of an Extension Period, at the end of the final Extension Period,

provided that the aggregate duration of any Extension Periods shall be no longer than five (5) years.

Condition Precedent

4.2 Not used.

(a) Not used.

4.3 Not used.

5 SERVICES

Standard of Services

5.1 The Supplier shall provide:

(a) the Implementation Services from (and including) the Implementation Services Commencement Date; and

(b) the Operational Services in each case from (and including) the relevant Operational Service Commencement Date.

5.2 The Supplier shall ensure that:

(a) the Services:

(i) comply in all respects with the Services Description; and

(ii) are supplied in accordance with the Supplier Solution and the provisions of this Agreement.

5.3 The Supplier shall:

(a) perform its obligations under this Agreement, including in relation to the supply of the Services in accordance with:

(i) all applicable Law;

(ii) Good Industry Practice;

(iii) the Standards;

(iv) the Baseline Security Requirements;

(v) the Quality Plans;

(vi) the Authority IT Strategy; and

(vii) the Supplier's own established procedures and practices to the extent the same do not conflict with the requirements of Clauses 5.3(a)(i) to 5.3(a)(vi); and

(b) deliver the Services using efficient business processes and ways of working having regard to the Authority's obligation to ensure value for money.

5.4 In the event that the Supplier becomes aware of any inconsistency between the requirements of Clauses 5.3(a)(i) to 5.3(a)(vi), the Supplier shall immediately notify the Authority Representative in writing of such inconsistency and the Authority Representative shall, as soon as practicable, notify the Supplier which requirement the Supplier shall comply with.

Supplier covenants

5.5 The Supplier shall:

(a) at all times allocate sufficient resources with the appropriate technical expertise to supply the Deliverables and to provide the Services in accordance with this Agreement;

(b) save to the extent that obtaining and maintaining the same are Authority Responsibilities and subject to Clause 13 (*Change*), obtain, and maintain throughout the duration of this Agreement, all the consents, approvals, licences and permissions (statutory, regulatory contractual or otherwise) it may require and which are necessary for the provision of the Services;

(c) ensure that:

(i) it shall continue to have all necessary rights in and to the Licensed Software, the Third Party IPRs, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-contractor) to the Authority which are necessary for the performance of the Supplier's obligations under this Agreement and/or the receipt of the Services by the Authority;

(ii) the release of any new Software or upgrade to any Software complies with the interface requirements in the Services Description and (except in relation to new Software or upgrades which are released to address Malicious Software or to comply with the requirements of Schedule 2.4 (*Security Management*)) shall notify the Authority 3 months before the release of any new Software or Upgrade;

(iii) all Software including Upgrades, Updates and New Releases used by or on behalf of the Supplier are currently supported versions of that Software and perform in all material respects in accordance with the relevant specification;

(iv) any products or services recommended or otherwise specified by the Supplier for use by the Authority in conjunction with the Deliverables and/or the Services shall enable the Deliverables and/or Services to meet the Authority Requirements; and

(v) the Supplier System and Assets used in the performance of the Services will be free of all encumbrances (except as agreed in writing with the Authority);

(d) minimise any disruption to the Services, the IT Environment and/or the Authority's operations when carrying out its obligations under this Agreement;

(e) ensure that any Documentation and training provided by the Supplier to the Authority are comprehensive, accurate and prepared in accordance with Good Industry Practice;

(f) co-operate with the Other Suppliers and provide reasonable information (including any Documentation), advice and assistance in connection with the Services to any Other Supplier to enable such Other Supplier to create and maintain technical or organisational interfaces with the Services and, on the expiry or termination of this Agreement for any reason, to enable the timely transition of the Services (or any of them) to the Authority and/or to any Replacement Supplier;

(g) to the extent it is legally able to do so, hold on trust for the sole benefit of the Authority, all warranties and indemnities provided by third parties or any Sub-contractor in respect of any Deliverables

and/or the Services and, where any such warranties are held on trust, at its cost enforce such warranties in accordance with any reasonable directions that the Authority may notify from time to time to the Supplier;

(h) unless it is unable to do so, assign to the Authority on the Authority's written request and at the cost of the Supplier any such warranties and/or indemnities as are referred to in Clause 5.5(g);

(i) provide the Authority with such assistance as the Authority may reasonably require during the Term in respect of the supply of the Services;

(j) gather, collate and provide such information and co-operation as the Authority may reasonably request for the purposes of ascertaining the Supplier's compliance with its obligations under this Agreement;

(k) notify the Authority in writing as soon as reasonably possible and in any event within 1 month of any change of Control taking place;

(l) notify the Authority in writing within 10 Working Days of their occurrence, of any actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, threatened against it that might affect its ability to perform its obligations under this Agreement;

(m) ensure that neither it, nor any of its Affiliates, embarrasses the Authority or otherwise brings the Authority into disrepute by engaging in any act or omission in relation to this Agreement which is reasonably likely to diminish the trust that the public places in the Authority; and

(n) manage closure or termination of Services and end of life of Goods to take account of the Authority's disposal requirements, including recycling and scope for re-use, and all applicable Standards.

5.6 An obligation on the Supplier to do, or to refrain from doing, any act or thing shall include an obligation upon the Supplier to procure that all Sub-contractors and Supplier Personnel also do, or refrain from doing, such act or thing.

5.7 Without prejudice to Clauses 19.2 and 19.3 (*IPRs Indemnity*) and any other rights and remedies of the Authority howsoever arising, the Supplier shall:

(a) remedy any breach of its obligations in Clauses 5.5(b) to 5.5(d) inclusive within 3 Working Days of becoming aware of the breach or being notified of the breach by the Authority where practicable or within such other time period as may be agreed with the Authority (taking into account the nature of the breach that has occurred);

(b) remedy any breach of its obligations in Clause 5.5(a) and Clauses 5.5(e) to 5.5(j) inclusive within 20 Working Days of becoming aware of the breach or being notified of the breach by the Authority; and

(c) meet all the costs of, and incidental to, the performance of such remedial work,

and any failure of the Supplier to comply with its obligations under Clause 5.7(a) or Clause 5.7(b) within the specified or agreed timeframe shall constitute a Notifiable Default.

Specially Written Software warranty

5.8 Without prejudice to Clauses 5.5 and 5.7 (*Supplier Covenants*) and any other rights and remedies of the Authority howsoever arising, the Supplier warrants to the Authority that all components of the Specially Written Software shall:

(a) be free from material design and programming errors;

(b) perform in all material respects in accordance with the relevant specifications contained in the Supplier Solution and Documentation; and

(c) not infringe any Intellectual Property Rights.

Continuing obligation to provide the Services

5.9 The Supplier shall continue to perform all of its obligations under this Agreement and shall not suspend the supply of the Services, notwithstanding:

(a) any withholding of the Service Charges by the Authority pursuant to Clause 7.2(c) (*Performance Failures*);

(b) the existence of an unresolved Dispute; and/or

(c) any failure by the Authority to pay any Charges,

unless the Supplier is entitled to terminate this Agreement under Clause 34.3(a) (*Termination by the Supplier*) for failure to pay undisputed Charges.

Optional Services

5.10 The Authority may require the Supplier to provide any or all of the Optional Services at any time by giving notice to the Supplier in writing. The Supplier acknowledges that the Authority is not obliged to take any Optional Services from the Supplier and that nothing shall prevent the Authority from receiving services that are the same as or similar to the Optional Services from any third party.

5.11 If a Change Request is submitted, the Supplier shall, as part of the Impact Assessment provided by the Supplier in relation to such Change Request, provide details of the impact (if any) that the proposed Change will have on the relevant Optional Services.

5.12 Following receipt of the Authority's notice pursuant to Clause 5.10:

(a) the Parties shall document the inclusion of the relevant Optional Services within the Services in accordance with the Change Control Procedure, modified to reflect the fact that the terms and conditions on which the Supplier shall provide the relevant Optional Services have already been agreed;

(b) the Supplier shall implement and Test the relevant Optional Services in accordance with the Optional Services Implementation Plan; and

(c) any additional charges for the Optional Services shall be incorporated in the Charges as specified in Paragraph 3 of Part B of Schedule 7.1 (*Charges and Invoicing*).

5.13 Not used.

Authority Responsibilities

5.14 The Authority shall comply with its responsibilities set out in Schedule 3 (*Authority Responsibilities*).

Supplier appointment

5.15 The Parties acknowledge that the Supplier:

5.15.1 will not be the "scheme administrator" of the Scheme under the Finance Act 2004 (as amended from time to time); and

5.15.2 has not been engaged to render advice on tax or legal issues and therefore any comments or advice given by the Supplier on tax or legal issues or draft documents that codify or create tax obligations or legal rights should not be construed as such tax or legal advice, which can only be provided by a tax adviser or law firm and for which the Authority should seek appropriate advice.

5.16 Save to the extent set out in Schedule 2.1 (*Services Description*) and without prejudice to clause 25 (*Publicity and Branding*), the Supplier must not issue any announcement or other communication (whether written or oral) to a beneficiary or potential beneficiary of the Scheme promising or effecting, or notifying that person of, any changes in benefits, entitlements or expectations under the Scheme other than such announcement or communication as may be authorised by the Authority from time to time.

Scheme's regulated status

5.17 The Supplier acknowledges and agrees that:

5.17.1 the Authority and the Scheme are subject to regulation by, and requirements of, Regulatory Authorities;

5.17.2 these requirements may include requirements relating to the performance of pensions administration services and/or outsourcing where they apply to this Agreement;

5.17.3 the Authority needs to be able to comply with the requirements of its Regulatory Authorities; and

5.17.4 it will give the Authority all assistance that it reasonably requires to comply with these requirements; and

5.17.5 provide reasonable co-operation, and will procure that any Key Sub-contractors will provide reasonable co-operation, to any Regulatory Authority in connection with the provision of the Services.

Additional Services

5.18 The Supplier shall use all reasonable endeavours to provide Additional Services as and when requested by the Authority, subject to the provisions of paragraph 4 of Schedule 7.1 (Charges).

6 IMPLEMENTATION

Quality Plans

6.1 The Supplier shall develop, within 20 Working Days of the Implementation Services Commencement Date, quality plans that ensure that all aspects of the Services are the subject of quality management systems and are consistent with BS EN ISO 9001 or any equivalent standard which is generally recognised as having replaced it ("**Quality Plans**").

6.2 The Supplier shall obtain the Authority Representative's written approval of the Quality Plans before implementing them, which approval shall not be unreasonably withheld or delayed. The Supplier acknowledges and accepts that the Authority's approval shall not act as an endorsement of the Quality Plans and shall not relieve the Supplier of its responsibility for ensuring that the Services are provided to the standard required by this Agreement.

6.3 Following the approval by the Authority of the Quality Plans:

(a) the Supplier shall design and deliver all Deliverables in accordance with the Quality Plans; and

(b) any Changes to the Quality Plans shall be agreed in accordance with the Change Control Procedure.

Implementation Plan and Delays

6.4 The Parties shall comply with the provisions of Schedule 6.1 (*Implementation Plan*) in relation to the agreement and maintenance of the Detailed Implementation Plan.

6.5 The Supplier shall:

(a) comply with the Implementation Plan; and

(b) ensure that each Milestone is Achieved on or before its Milestone Date.

6.6 If the Supplier becomes aware that there is, or there is reasonably likely to be, a Delay:

(a) it shall:

(i) notify the Authority in accordance with Clause 28.1 (*Rectification Plan Process*); and

(ii) comply with the Rectification Plan Process in order to address the impact of the Delay or anticipated Delay; and

(iii) use all reasonable endeavours to eliminate or mitigate the consequences of any Delay or anticipated Delay; and

(b) if the Delay or anticipated Delay relates to a Key Milestone, the provisions of Clause 29 (*Delay Payments*) shall apply.

Testing and Achievement of Milestones

6.7 The Parties shall comply with the provisions of Schedule 6.2 (*Testing Procedures*) in relation to the procedures to determine whether a Milestone or Test has been Achieved.

7 PERFORMANCE INDICATORS

7.1 The Supplier shall:

(a) provide the Operational Services in such a manner so as to meet or exceed:

(i) the Service Level Target for each Service Level;

(ii) the KPI Target for each KPI; and

(iii) the Target Performance Level for each Outcome,

from the Operational Service Commencement Date; and

(b) comply with the provisions of Schedule 2.2 (*Performance Levels*) in relation to the monitoring and reporting on its performance against the Performance Indicators.

Performance Failures

7.2 If in any Service Period:

(a) a Service Level Failure occurs Service Credits shall be deducted from the Service Charges in accordance with Paragraph 3 of Part C of Schedule 7.1 (*Charges and Invoicing*);

(b) a Performance Failure occurs the Supplier shall comply with the Rectification Plan Process (where the Performance Failure is also a

Service Level Failure this is in addition, to Service Credits accruing in accordance with Clause 7.2(a));

(c) a Service Failure occurs the Authority may withhold a proportionate amount of the Service Charges in accordance with the process set out in Clause 10.7 (*Set Off and Withholding*) until the relevant Service Failure is rectified to the reasonable satisfaction of the Authority, at which point the Authority shall pay the amount withheld.

7.3 Service Credits shall be the Authority's exclusive financial remedy for a Service Level Failure except where:

(a) the Supplier has over the previous 12 month period accrued Service Credits in excess of the Service Credit Cap;

(b) the Service Level Failure:

(i) has arisen due to the wilful default by the Supplier or any Supplier Personnel; or

(ii) results in:

(A) the corruption or loss of any Authority Data (in which case the remedies under Clause 21.7 (*Authority Data and Security Requirements*) shall also be available); and/or

(B) the Authority being required to make a compensation payment to one or more third parties;

(c) the Supplier has fraudulently misreported its performance against any Performance Indicator; and/or

(d) the Authority is otherwise entitled to or does terminate the relevant Services or this Agreement pursuant to Clause 34.1(b) (*Termination by the Authority*).

Unacceptable Service Level Failure

7.4 If in any Service Period an Unacceptable Service Level Failure occurs:

(a) the Authority shall (subject to the Service Credit Cap set out in Clause 26.4(b) (*Financial and other limits*)) be entitled to withhold and retain as compensation for the Unacceptable Service Level Failure a sum equal to any Base Charges which would otherwise have been due to the Supplier in respect of that Service Period (such sum being "**Compensation for Unacceptable Service Level Failure**"); and

(b) if the Authority withholds and retains such Compensation for Unacceptable Service Level Failure, any Service Points and Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue,

provided that the operation of this Clause 7.4 shall be without prejudice to any right which the Authority may have to terminate this Agreement and/or to claim damages from the Supplier as a result of such Unacceptable Service Level Failure.

7.5 The Supplier:

(a) agrees that the application of Clause 7.4 is commercially justifiable where an Unacceptable Service Level Failure occurs; and

(b) acknowledges that it has taken legal advice on the application of Clause 7.4 and has had the opportunity to price for that risk when calculating the Base Charges.

Critical Service Level Failure

7.6 If a Critical Service Level Failure occurs, the Authority may exercise its rights to terminate this Agreement in whole or in part pursuant to Clause 34.1 or 34.2 (*Termination by the Authority*).

Changes to Performance Indicators and Service Credits

7.7 Not more than once in each Contract Year the Authority may, on giving the Supplier at least 3 months' notice:

(a) change the weighting that applies in respect of one or more specific Service Levels; and/or

(b) convert one or more:

(i) Key Performance Indicators into a Service Level; and/or

(ii) Service Level into a Key Performance Indicator.

7.8 The Supplier shall not be entitled to object to any changes made by the Authority under Clause 7.7, or increase the Service Charges as a result of such changes provided that:

(a) the total number of Service Levels does not exceed 20;

(b) the principal purpose of the change is to reflect changes in the Authority's business requirements and/or priorities or to reflect changing industry standards; and

(c) there is no change to the Service Credit Cap.

8 SERVICES IMPROVEMENT

8.1 The Supplier shall have an ongoing obligation throughout the Term to identify new or potential improvements to the Services in accordance with this Clause 8. As part of this obligation the Supplier shall identify and report to the Quarterly Strategy Board once every three (3) months from the Implementation Services Commencement Date:

(a) the emergence of new and evolving relevant technologies which could improve the IT Environment and/or the Services, and those technological advances potentially available to the Supplier and the Authority which the Parties may wish to adopt;

(b) new or potential improvements to the Services including the quality, responsiveness, procedures, benchmarking methods, likely performance mechanisms and customer support services in relation to the Services;

(c) new or potential improvements to the interfaces or integration of the Services with other services provided by third parties or the Authority which might result in efficiency or productivity gains or in reduction of operational risk;

(d) changes in business processes and ways of working that would enable the Services to be delivered at lower cost and/or with greater benefits to the Authority; and/or

(e) changes to the IT Environment, business processes and ways of working that would enable reductions in the total energy consumed in the delivery of Services.

8.2 The Supplier shall ensure that the information that it provides to the Authority shall be sufficient for the Authority to decide whether any improvement should be implemented. The Supplier shall provide any further information that the Authority requests.

8.3 If the Authority wishes to incorporate any improvement identified by the Supplier the Authority shall send the Supplier a Change Request in accordance with the Change Control Procedure.

9 EQUIPMENT AND MAINTENANCE

Supplier Equipment

9.1 The Supplier shall be solely responsible for the cost of carriage of Supplier Equipment to the Sites and to the Authority Premises, including its off-loading, removal of all packaging and all other associated costs. Likewise on termination or expiry of this Agreement the Supplier shall be responsible for the removal and safe disposal of all relevant Supplier Equipment from the Sites and the Authority Premises, including the cost of packing, carriage and making good the Sites and/or the Authority Premises following removal, and taking account of any sustainability requirements, including safe removal of data and recycling requirements.

9.2 All the Supplier's property, including Supplier Equipment, shall remain at the sole risk and responsibility of the Supplier, except that the Authority shall be liable for loss of or damage to any of the Supplier's property located on Authority Premises which is due to the negligent act or omission of the Authority.

9.3 Subject to any express provision of the Service Continuity Plan to the contrary, the loss or destruction for any reason of any Supplier Equipment shall not relieve the Supplier of its obligation to supply the Services in accordance with this Agreement, including the Service Level Targets, KPI Targets and Target Performance Levels.

Maintenance

9.4 The Supplier shall create and maintain a rolling schedule of planned maintenance to the Supplier System (the "**Maintenance Schedule**") which shall be agreed with the Authority. Once the Maintenance Schedule has been agreed with the Authority Representative, the Supplier shall only undertake such planned maintenance (which shall be known as "**Permitted Maintenance**") in accordance with the Maintenance Schedule.

9.5 The Supplier shall give as much notice as is reasonably practicable to the Authority Representative prior to carrying out any Emergency Maintenance.

9.6 The Supplier shall carry out any necessary maintenance (whether Permitted Maintenance or Emergency Maintenance) where it reasonably suspects that the Supplier System or the Services or any part thereof has or may have developed a fault. Any such maintenance shall be carried out in such a manner and at such times so as to avoid (or where this is not possible so as to minimise) disruption to the IT Environment and the Services.

SECTION C – PAYMENT, TAXATION AND VALUE FOR MONEY PROVISIONS

10 FINANCIAL AND TAXATION MATTERS

Charges and Invoicing

10.1 In consideration of the Supplier carrying out its obligations under this Agreement, including the provision of the Services, the Authority shall pay the Charges to the Supplier in accordance with the pricing and payment profile and the invoicing procedure specified in Schedule 7.1 (*Charges and Invoicing*).

10.2 Except as otherwise provided, each Party shall each bear its own costs and expenses incurred in respect of compliance with its obligations under Clauses 6.7 (*Testing and Achievement of Milestones*), 12 (*Records, Reports, Audits and Open Book Data*), 23 (*Transparency and Freedom of Information*), 24 (*Protection of Personal Data*) and, to the extent specified therein, Clause 30 (*Remedial Adviser*) and Clause 31 (*Step-In Rights*).

10.3 If the Authority fails to pay any undisputed Charges properly invoiced under this Agreement, the Supplier shall have the right to charge interest on the overdue amount at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a daily basis from the due date up to the date of actual payment, whether before or after judgment.

VAT

10.4 The Charges are stated exclusive of VAT, which shall be added at the prevailing rate as applicable and paid by the Authority following delivery of a valid VAT invoice.

10.5 The Supplier shall indemnify the Authority on a continuing basis against any liability, including any interest, penalties or costs incurred, that is levied, demanded or assessed on the Authority at any time in respect of the Supplier's failure to account for or to pay any VAT relating to payments made to the Supplier under this Agreement. Any amounts due under this Clause 10.5 shall be paid in cleared funds by the Supplier to the Authority not less than five Working Days before the date upon which the tax or other liability is payable by the Authority.

Set-off and Withholding

10.6 The Authority may set off any amount owed by the Supplier to the Crown or any part of the Crown (including the Authority) against any amount due to the Supplier under this Agreement or under any other agreement between the Supplier and the Authority.

10.7 If the Authority wishes to:

(a) set off any amount owed by the Supplier to the Crown or any part of the Crown (including the Authority) against any amount due to the Supplier pursuant to Clause 10.6; or

(b) exercise its right pursuant to Clause 7.2(c) (*Performance Failures*) to withhold payment of a proportion of the Service Charges,

it shall give notice to the Supplier within thirty (30) days of receipt of the relevant invoice, setting out the Authority's reasons for withholding or retaining the relevant Charges.

Benchmarking

10.8 The Parties shall comply with the provisions of Schedule 7.3 (*Benchmarking*) in relation to the benchmarking of any or all of the Services.

Financial Distress

10.9 The Parties shall comply with the provisions of Schedule 7.4 (*Financial Distress*) in relation to the assessment of the financial standing of the Supplier and other specified entities and the consequences of a change to that financial standing.

Promoting Tax Compliance

10.10 If, at any point during the Term, an Occasion of Tax Non-Compliance occurs, the Supplier shall:

(a) notify the Authority in writing of such fact within 5 Working Days of its occurrence; and

(b) promptly provide to the Authority:

(i) details of the steps which the Supplier is taking to address the Occasion of Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and

(ii) such other information in relation to the Occasion of Tax Non-Compliance as the Authority may reasonably require.

SECTION D – CONTRACT GOVERNANCE

11 GOVERNANCE

11.1 The Parties shall comply with the provisions of Schedule 8.1 (*Governance*) in relation to the management and governance of this Agreement.

Representatives

11.2 Each Party shall have a representative for the duration of this Agreement who shall have the authority to act on behalf of their respective Party on the matters set out in, or in connection with, this Agreement.

11.3 The initial Supplier Representative shall be the person named as such in Schedule 9.2 (*Key Personnel*). Any change to the Supplier Representative shall be agreed in accordance with Clause 14 (*Supplier Personnel*).

11.4 The Authority shall notify the Supplier of the identity of the initial Authority Representative within 5 Working Days of the Implementation Services Commencement Date. The Authority may, by written notice to the Supplier, revoke or amend the authority of the Authority Representative or appoint a new Authority Representative.

12 RECORDS, REPORTS, AUDITS & OPEN BOOK DATA

12.1 The Supplier shall comply with the provisions of:

(a) Schedule 8.4 (*Reports and Records Provisions*) in relation to the maintenance and retention of Records; and

(b) Part A of Schedule 7.5 (*Financial Reports and Audit Rights*) in relation to the maintenance of Open Book Data.

12.2 The Parties shall comply with the provisions of:

(a) Part B of Schedule 7.5 (*Financial Reports and Audit Rights*) in relation to the provision of the Financial Reports; and

(b) Part C of Schedule 7.5 (*Financial Reports and Audit Rights*) in relation to the exercise of the Audit Rights by the Authority or any Audit Agents.

Early Warning

12.3 The Supplier and the Authority may give an early warning by notifying the other as soon as possible after either becomes aware of any matter which could:

12.3.1 increase or reduce the Charges;

12.3.2 adversely affect implementation and/or the performance of the Services;

12.3.3 impair the Authority's ability to use the Authority System or otherwise adversely affect the Authority's business operations; or

12.3.4 lead to a Service Failure or Performance Failure or likely Service Failure or Performance Failure, where applicable within any Notification Period specified in Table 5 of Part 1 of Appendix 1 of Schedule 2.2 (Performance Levels).

12.4 If either the Supplier Representative or the Authority Representative considers that a matter notified is sufficiently important to require an early warning meeting, the Supplier Representative or the Authority Representative (as applicable) may instruct the other to attend such a meeting. Either the Supplier Representative or the Authority Representative may instruct other people to attend the meeting if the other agrees.

12.5 At an early warning meeting those who attend will cooperate in:

12.5.1 making and considering proposals for how the effect of each matter which has been notified as an early warning can be avoided or reduced;

12.5.2 seeking solutions that will bring advantage to all those who will be affected; and

12.5.3 deciding upon actions which they will take and who, in accordance with this Agreement, will take them.

12.6 The Supplier Representative will record the proposals considered and decisions taken at an early warning meeting and will give a copy of his record to the Authority Representative.

13 CHANGE

Change Control Procedure

13.1 Any requirement for a Change shall be subject to the Change Control Procedure.

Change in Law

13.2 The Supplier shall neither be relieved of its obligations to supply the Services in accordance with the terms and conditions of this Agreement nor be entitled to an increase in the Charges as the result of:

(a) a General Change in Law; or

(b) a Specific Change in Law where the effect of that Specific Change in Law on the Services is reasonably foreseeable at the Effective Date.

13.3 If a Specific Change in Law occurs or will occur during the Term (other than as referred to in Clause 13.2(b)), the Supplier shall:

(a) notify the Authority as soon as reasonably practicable of the likely effects of that change, including:

(i) whether any Change is required to the Services, the Charges or this Agreement; and

(ii) whether any relief from compliance with the Supplier's obligations is required, including any obligation to Achieve a Milestone and/or to meet the Service Level Targets, KPI Targets and Target Performance Levels; and

(b) provide the Authority with evidence:

(i) that the Supplier has minimised any increase in costs or maximised any reduction in costs, including in respect of the costs of its Sub-contractors;

(ii) as to how the Specific Change in Law has affected the cost of providing the Services; and

(iii) demonstrating that any expenditure that has been avoided, for example which would have been required under the provisions of Clause 8 (*Services Improvement*), has been taken into account in amending the Charges.

13.4 If a PSPS Change in Law occurs or will occur during the Term, the Supplier shall:

(a) notify the Authority as soon as reasonably practicable of the likely effects of that change, including:

(i) whether any Change is required to the Services, the Charges or this Agreement; and

(ii) whether any relief from compliance with the Supplier's obligations is required, including any obligation to Achieve a Milestone and/or to meet the Service Level Targets, KPI Targets and Target Performance Levels; and

(b) provide the Authority with evidence:

(i) that the Supplier has minimised any increase in costs or maximised any reduction in costs, including in respect of the costs of its Sub-contractors;

(ii) as to how the PSPS Change in Law has affected the cost of providing the Services; and

(iii) demonstrating that any expenditure that has been avoided, for example which would have been required under the provisions of Clause 8 (*Services Improvement*), has been taken into account in amending the Charges.

13.5 Any variation in the Charges or relief from the Supplier's obligations resulting from a Specific Change in Law (other than as referred to in Clause 13.2(b)) or a PSPS Change in Law shall be implemented in accordance with the Change Control Procedure.

SECTION E – SUPPLIER PERSONNEL AND SUPPLY CHAIN

14 SUPPLIER PERSONNEL

14.1 The Supplier shall:

(a) Provide in advance of any admission to Authority Premises a list of the names of all Supplier Personnel requiring such admission, specifying the capacity in which they require admission and giving such other particulars as the Authority may reasonably require;

(b) ensure that all Supplier Personnel:

(i) are appropriately qualified, trained and experienced to provide the Services with all reasonable skill, care and diligence;

(ii) are vetted in accordance with Good Industry Practice and, where applicable, the security requirements set out in Schedule 2.1 (*Services Description*) and Schedule 2.4 (*Security Management*); and

(iii) comply with all reasonable requirements of the Authority concerning conduct at the Authority Premises, including the security requirements as set out in Schedule 2.4 (*Security Management*);

(c) subject to Schedule 9.1 (*Staff Transfer*), retain overall control of the Supplier Personnel at all times so that the Supplier Personnel shall not be deemed to be employees, agents or contractors of the Authority;

(d) be liable at all times for all acts or omissions of Supplier Personnel, so that any act or omission of a member of any Supplier Personnel which results in a Default under this Agreement shall be a Default by the Supplier;

(e) use all reasonable endeavours to minimise the number of changes in Supplier Personnel;

(f) replace (temporarily or permanently, as appropriate) any Supplier Personnel as soon as practicable if any Supplier Personnel have been removed or are unavailable for any reason whatsoever;

(g) bear the programme familiarisation and other costs associated with any replacement of any Supplier Personnel; and

(h) procure that the Supplier Personnel shall vacate the Authority Premises immediately upon the termination or expiry of this Agreement.

14.2 If the Authority reasonably believes that any of the Supplier Personnel are unsuitable to undertake work in respect of this Agreement, it may:

(a) refuse admission to the relevant person(s) to the Authority Premises; and/or

(b) direct the Supplier to end the involvement in the provision of the Services of the relevant person(s).

Key Personnel

14.3 The Supplier shall ensure that the Key Personnel fulfil the Key Roles at all times from the Implementation Services Commencement Date and thereafter during the Term. Schedule 9.2 (*Key Personnel*) lists the Key Roles and names of the persons who the Supplier shall appoint to fill those Key Roles at the Effective Date.

14.4 The Authority may identify any further roles as being Key Roles and, following agreement to the same by the Supplier, the relevant person selected to fill those Key Roles shall be included on the list of Key Personnel.

14.5 The Supplier shall not remove or replace any Key Personnel (including when carrying out Exit Management) unless:

(a) requested to do so by the Authority;

(b) the person concerned resigns, retires or dies or is on maternity leave, paternity leave or shared parental leave or long-term sick leave;

(c) the person's employment or contractual arrangement with the Supplier or a Sub-contractor is terminated for material breach of contract by the employee; or

(d) the Supplier obtains the Authority's prior written consent (such consent not to be unreasonably withheld or delayed).

14.6 The Supplier shall:

(a) notify the Authority promptly of the absence of any Key Personnel (other than for short-term sickness or holidays of 2 weeks or less, in which case the Supplier shall ensure appropriate temporary cover for that Key Role);

(b) ensure that any Key Role is not vacant for any longer than 10 Working Days;

(c) give as much notice as is reasonably practicable of its intention to remove or replace any member of Key Personnel and, except in the cases of death, unexpected ill health or a material breach of the Key Personnel's employment contract, this will mean at least 60 Working Days' notice;

(d) ensure that all arrangements for planned changes in Key Personnel provide adequate periods during which incoming and outgoing personnel work together to transfer responsibilities and ensure that such change does not have an adverse impact on the performance of the Services; and

(e) ensure that any replacement for a Key Role:

(i) has a level of qualifications and experience appropriate to the relevant Key Role; and

(ii) is fully competent to carry out the tasks assigned to the Key Personnel whom he or she has replaced.

Employment Indemnity

14.7 The Parties agree that:

(a) the Supplier shall both during and after the Term indemnify the Authority against all Employee Liabilities that may arise as a result of any claims brought against the Authority by any person where such claim arises from any act or omission of the Supplier or any Supplier Personnel; and

(b) the Authority shall both during and after the Term indemnify the Supplier against all Employee Liabilities that may arise as a result of any claims brought against the Supplier by any person where such claim arises from any act or omission of the Authority or any of the Authority's employees, agents, consultants and contractors.

Income Tax and National Insurance Contributions

14.8 Where the Supplier or any Supplier Personnel are liable to be taxed in the UK or to pay national insurance contributions in respect of consideration received under this Agreement, the Supplier shall:

(a) at all times comply with the Income Tax (Earnings and Pensions) Act 2003 and all other statutes and regulations relating to income tax, and the Social Security Contributions and Benefits Act 1992 and all other statutes and regulations relating to national insurance contributions, in respect of that consideration; and

(b) indemnify the Authority against any income tax, national insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made in connection with the provision of the Services by the Supplier or any Supplier Personnel.

Staff Transfer

14.9 The Parties agree that:

(a) where the commencement of the provision of the Services or any part of the Services results in one or more Relevant Transfers, Schedule 9.1 (*Staff Transfer*) shall apply as follows:

(i) where the Relevant Transfer involves the transfer of Transferring Authority Employees, Part A and Part D of Schedule 9.1 (*Staff Transfer*) shall apply;

(ii) where the Relevant Transfer involves the transfer of Transferring Former Supplier Employees, Part B and Part D of Schedule 9.1 (*Staff Transfer*) shall apply;

(iii) where the Relevant Transfer involves the transfer of Transferring Authority Employees and Transferring Former Supplier Employees, Parts A, B and D of Schedule 9.1 (*Staff Transfer*) shall apply; and

(iv) Part C of Schedule 9.1 (*Staff Transfer*) shall not apply;

(b) where commencement of the provision of the Services or a part of the Services does not result in a Relevant Transfer, Part C of Schedule 9.1 (*Staff Transfer*) shall apply, Part D of Schedule 9.1 may apply and Parts A and B of Schedule 9.1 (*Staff Transfer*) shall not apply; and

(c) Part E of Schedule 9.1 (*Staff Transfer*) shall apply on the expiry or termination of the Services or any part of the Services.

15 SUPPLY CHAIN RIGHTS AND PROTECTIONS

Advertising Sub-contract Opportunities

15.1 The Supplier shall:

(a) subject to Clauses 15.3 and 15.4, advertise on Contracts Finder all Sub-contract opportunities arising from or in connection with the provision of the Goods and/or Services and/or Works above a minimum threshold of £10,000 that arise during the Term;

(b) within ninety (90) days of awarding a Sub-contract to a Sub-contractor, update the notice on Contracts Finder with details of the successful Sub-contractor;

(c) monitor the number, type and value of the Sub-contract opportunities placed on Contracts Finder advertised and awarded in its supply chain during the Term;

(d) provide reports on the information at Clause 15.1(c) to the Authority in the format and frequency as reasonably specified by the Authority; and

(e) promote Contracts Finder to its suppliers and encourage those organisations to register on Contracts Finder.

15.2 Each advert referred to in Clause 15.1 above shall provide a full and detailed description of the Sub-contract opportunity with each of the mandatory fields being completed on Contracts Finder by the Supplier.

15.3 The obligation at Clause 15.1 shall only apply in respect of Sub-contract opportunities arising after the Effective Date.

15.4 Notwithstanding Clause 15.1 the Authority may, by giving its prior written approval, agree that a Sub-contract opportunity is not required to be advertised on Contracts Finder.

Appointment of Sub-contractors

15.5 The Supplier shall exercise due skill and care in the selection and appointment of any Sub-contractors to ensure that the Supplier is able to:

(a) manage any Sub-contractors in accordance with Good Industry Practice;

(b) comply with its obligations under this Agreement in the delivery of the Services; and

(c) assign, novate or otherwise transfer to the Authority or any Replacement Supplier any of its rights and/or obligations under each Sub-contract that relates exclusively to this Agreement.

15.6 Prior to sub-contracting any of its obligations under this Agreement, the Supplier shall notify the Authority in writing of:

(a) the proposed Sub-contractor's name, registered office and company registration number;

(b) the scope of any Services to be provided by the proposed Sub-contractor; and

(c) where the proposed Sub-contractor is an Affiliate of the Supplier, evidence that demonstrates to the reasonable satisfaction of the Authority that the proposed Sub-contract has been agreed on "arm's-length" terms.

15.7 If requested by the Authority within 10 Working Days of receipt of the Supplier's notice issued pursuant to Clause 15.6, the Supplier shall also provide:

(a) a copy of the proposed Sub-contract; and

(b) any further information reasonably requested by the Authority.

15.8 The Authority may, within 10 Working Days of receipt of the Supplier's notice issued pursuant to Clause 15.6 (or, if later, receipt of any further information

requested pursuant to Clause 15.7), object to the appointment of the relevant Sub-contractor if it considers that:

(a) the appointment of a proposed Sub-contractor may prejudice the provision of the Services and/or may be contrary to the interests of the Authority;

(b) the proposed Sub-contractor is unreliable and/or has not provided reasonable services to its other customers;

(c) the proposed Sub-contractor employs unfit persons; and/or

(d) the proposed Sub-contractor should be excluded in accordance with Clause 15.22 (*Termination of sub-contracts*);

in which case, the Supplier shall not proceed with the proposed appointment.

15.9 If:

(a) the Authority has not notified the Supplier that it objects to the proposed Sub-contractor's appointment by the later of 10 Working Days of receipt of:

(i) the Supplier's notice issued pursuant to Clause 15.6; and

(ii) any further information requested by the Authority pursuant to Clause 15.7; and

(b) the proposed Sub-contract is not a Key Sub-contract (which shall require the written consent of the Authority in accordance with Clause 15.10 (*Appointment of Key Sub-contractors*),

the Supplier may proceed with the proposed appointment and, where the Sub-contract is entered into exclusively for the purpose of delivery of the Services, may notify the Authority that the relevant Sub-contract shall constitute a Third Party Contract for the purposes of Schedule 4.4 (*Third Party Contracts*).

Appointment of Key Sub-contractors

15.10 Where the Supplier wishes to enter into a Key Sub-contract or replace a Key Sub-contractor, it must obtain the prior written consent of the Authority, such consent not to be unreasonably withheld or delayed. For these purposes, the Authority may withhold its consent to the appointment of a Key Sub-contractor if it reasonably considers that:

(a) the appointment of a proposed Key Sub-contractor may prejudice the provision of the Services or may be contrary to the interests of the Authority;

(b) the proposed Key Sub-contractor is unreliable and/or has not provided reasonable services to its other customers; and/or

(c) the proposed Key Sub-contractor employs unfit persons; and/or

(d) the proposed Key Sub-contractor should be excluded in accordance with Clause 15.22 (*Termination of sub-contracts*).

15.11 The Authority consents to the appointment of the Key Sub-contractors listed in Schedule 4.3 (*Notified Key Sub-contractors*).

15.12 Except where the Authority has given its prior written consent, the Supplier shall ensure that each Key Sub-contract shall include:

(a) provisions which will enable the Supplier to discharge its obligations under this Agreement;

(b) a right under CRTPA for the Authority to enforce any provisions under the Key Sub-contract which are capable of conferring a benefit upon the Authority;

(c) a provision enabling the Authority to enforce the Key Sub-contract as if it were the Supplier;

(d) a provision enabling the Supplier to assign, novate or otherwise transfer any of its rights and/or obligations under the Key Sub-contract to the Authority or any Replacement Supplier without restriction (including any need to obtain any consent or approval) or payment by the Authority;

(e) obligations no less onerous on the Key Sub-contractor than those imposed on the Supplier under this Agreement in respect of:

(i) data protection requirements set out in Clauses 21 (Authority *Data and Security Requirements*) and 24 (*Protection of Personal Data*);

(ii) FOIA requirements set out in Clause 23 (*Transparency and Freedom of Information*);

(iii) the obligation not to embarrass the Authority or otherwise bring the Authority into disrepute set out in Clause 5.5(m) (*Services*);

(iv) the keeping of records in respect of the services being provided under the Key Sub-contract, including the maintenance of Open Book Data; and

(v) the conduct of Audits set out in Part C of Schedule 7.5 (*Financial Reports and Audit Rights*);

(f) provisions enabling the Supplier to terminate the Key Sub-contract on notice on terms no more onerous on the Supplier than those imposed on the Authority under Clauses 34.1(a) (*Termination by the Authority*) and 35.4 (*Payments by the Authority*) and Schedule 7.2 (*Payments on Termination*) of this Agreement;

(g) a provision restricting the ability of the Key Sub-contractor to sub-contract all or any part of the services provided to the Supplier

under the Key Sub-contract without first seeking the written consent of the Authority;

(h) a provision enabling the Supplier or the Authority to appoint a Remedial Adviser on substantially the same terms as are set out in Clause 30 (*Remedial Adviser*);

(i) a provision enabling the Supplier, the Authority or any other person on behalf of the Authority to step-in on substantially the same terms as are set out in Clause 31 (*Step-in Rights*);

(j) a provision requiring the Key Sub-contractor to participate in, and if required by the Authority in the relevant Multi-Party Procedure Initiation Notice to procure the participation of all or any of its Sub-contractors in, the Multi-Party Dispute Resolution Procedure; and

(k) a provision requiring the Key Sub-contractor to:

(i) promptly notify the Supplier and the Authority in writing of any of the following of which it is, or ought to be, aware:

(A) the occurrence of a Financial Distress Event in relation to the Key Sub-contractor; or

(B) any fact, circumstance or matter of which it is aware which could cause the occurrence of a Financial Distress Event in relation to the Key Sub-contractor,

and in any event, provide such notification within 10 Working Days of the date on which the Key Sub-contractor first becomes aware of such); and

(ii) co-operate with the Supplier and the Authority in order to give full effect to the provisions of Schedule 7.4 (*Financial Distress*), including meeting with the Supplier and the Authority to discuss and review the effect of the Financial Distress Event on the continued performance and delivery of the Services, and contributing to and complying with the Financial Distress Remediation Plan, and providing the information specified at paragraph 4.3(b)(ii) of Schedule 7.4 (*Financial Distress*).

15.13 The Supplier shall not terminate or materially amend the terms of any Key Sub-contract without the Authority's prior written consent, which shall not be unreasonably withheld or delayed.

Supply chain protection

15.14 The Supplier shall ensure that all Sub-contracts (which in this sub-clause includes any contract in the Supplier's supply chain made wholly or substantially for the purpose of performing or contributing to the performance of the whole or any part of this Agreement) contain provisions:

(a) giving the Supplier a right to terminate the Sub-contract if the Sub-contractor fails to comply in the performance of the Sub-contract with legal obligations in the fields of environmental, social or labour law;

(b) requiring the Supplier or other party receiving goods or services under the contract to consider and verify invoices under that contract in a timely fashion;

(c) that if the Supplier or other party fails to consider and verify an invoice in accordance with sub-paragraph (b), the invoice shall be regarded as valid and undisputed for the purpose of sub-paragraph (d) after a reasonable time has passed;

(d) requiring the Supplier or other party to pay any undisputed sums which are due from it to the Sub-contractor within a specified period not exceeding thirty (30) days of verifying that the invoice is valid and undisputed;

(e) giving the Authority a right to publish the Supplier's compliance with its obligation to pay undisputed invoices within the specified payment period; and

(f) requiring the Sub-contractor to include a clause to the same effect as this Clause 15.14 in any contracts it enters into wholly or substantially for the purpose of performing or contributing to the performance of the whole or any part of this Agreement.

15.15 The Supplier shall:

(a) pay any undisputed sums which are due from it to a Sub-contractor within thirty (30) days of verifying that the invoice is valid and undisputed;

(b) include within the Balanced Scorecard Report produced by it pursuant to Schedule 2.2 (*Performance Levels*) a summary of its compliance with Clause 15.15(a), such data to be certified each Quarter by a director of the Supplier as being accurate and not misleading.

15.16 Without prejudice to Clause 15.15(a), the Supplier shall:

(a) pay any sums which are due from it to any Sub-contractor or Unconnected Sub-contractor pursuant to any invoice (or other notice of an amount for payment) on the earlier of:

(i) the date set out for payment in the relevant Sub-contract or Unconnected Sub-contract; or

(ii) the date that falls sixty (60) days after the day on which the Supplier receives an invoice (or otherwise has notice of an amount for payment); and

(b) include within the Balanced Scorecard Report produced by it pursuant to Schedule 2.2 (Performance Levels) a summary of its compliance with Clause 15.16(a), such data to be certified every six months by a director of the Supplier as being accurate and not misleading.

15.17 If any Balanced Scorecard Report shows that in either of the last two six month periods the Supplier failed to pay 95% or above of all Sub-contractor or Unconnected Sub-contractor invoices (or other notice of an amount for payment) within sixty (60) days of receipt, the Supplier shall upload to the Virtual Library within 15 Working Days of submission of the latest Balanced Scorecard Report an action plan (the "**Action Plan**") for improvement. The Action Plan shall include, but not be limited to, the following:

(a) identification of the primary causes of failure to pay 95% or above of all Sub-contractor or Unconnected Sub-contractor invoices (or other notice of an amount for payment) within sixty (60) days of receipt;

(b) actions to address each of the causes set out in sub-paragraph (a); and

(c) mechanism for and commitment to regular reporting on progress to the Supplier's Board.

15.18 The Action Plan shall be certificated by a director of the Supplier and the Action Plan or a summary of the Action Plan published on the Supplier's website within 10 Working Days of the date on which the Action Plan is uploaded to the Virtual Library.

15.19 Where the Supplier fails to pay any sums due to any Sub-contractor or Unconnected Sub-contractor in accordance with the terms set out in the relevant Sub-contract or Unconnected Sub-contract, the Action Plan shall include details of the steps the Supplier will take to address this.

15.20 The Supplier shall comply with the Action Plan or any similar action plan connected to the payment of Sub-contractors or Unconnected Sub-contractors which is required to be submitted to the Authority as part of the procurement process and such action plan shall be included as part of the Supplier's Solution (to the extent it is not already included).

15.21 Notwithstanding any provision of Clauses 22 (*Confidentiality*) and 25 (*Publicity and Branding*), if the Supplier notifies the Authority (whether in a Balanced Scorecard Report or otherwise) that the Supplier has failed to pay a Sub-contractor's undisputed invoice within thirty (30) days of receipt or that it has failed to pay 95% or above of its Sub-Contractors or Unconnected Sub-contractors within sixty (60) days after the day on which the Supplier receives an invoice or otherwise has notice of an amount for payment, or the Authority otherwise discovers the same, the Authority shall be entitled to publish the details of the late or non-payment (including on government websites and in the press).

Termination of Sub-contracts

15.22 The Authority may require the Supplier to terminate:

(a) a Sub-contract where:

(i) the acts or omissions of the relevant Sub-contractor have caused or materially contributed to the Authority's right of termination pursuant to Clause 34.1(b) (*Termination by the Authority*);

(ii) the relevant Sub-contractor or any of its Affiliates have embarrassed the Authority or otherwise brought the Authority into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Authority, regardless of whether or not such act or omission is related to the Sub-contractor's obligations in relation to the Services or otherwise;

(iii) the relevant Sub-contractor has failed to comply in the performance of its Sub-contract with legal obligations in the fields of environmental, social or labour law; and/or

(iv) the Authority has found grounds for exclusion of the Sub-contractor in accordance with Clause 15.27 (*Exclusion of Sub-contractors*); and

(b) a Key Sub-contract where there is a Change of Control of the relevant Key Sub-contractor, unless:

(i) the Authority has given its prior written consent to the particular Change of Control, which subsequently takes place as proposed; or

(ii) the Authority has not served its notice of objection within 6 months of the later of the date the Change of Control took place or the date on which the Authority was given notice of the Change of Control.

Competitive Terms

15.23 If the Authority is able to obtain from any Sub-contractor or any other third party (on a like-for-like basis) more favourable commercial terms with respect to the supply of any goods, software or services used by the Supplier or the Supplier Personnel in the supply of the Services, then the Authority may:

(a) require the Supplier to replace its existing commercial terms with that person with the more favourable commercial terms obtained by the Authority in respect of the relevant item; or

(b) enter into a direct agreement with that Sub-contractor or third party in respect of the relevant item.

15.24 If the Authority exercises either of its options pursuant to Clause 15.23, then the Charges shall be reduced by an amount that is agreed in accordance with the Change Control Procedure.

15.25 The Authority's right to enter into a direct agreement for the supply of the relevant items is subject to:

(a) the Authority making the relevant item available to the Supplier where this is necessary for the Supplier to provide the Services; and

(b) any reduction in the Charges taking into account any unavoidable costs payable by the Supplier in respect of the substituted item, including in respect of any licence fees or early termination charges.

Retention of Legal Obligations

15.26 Notwithstanding the Supplier's right to sub-contract pursuant to this Clause 15, the Supplier shall remain responsible for all acts and omissions of its Sub-contractors and the acts and omissions of those employed or engaged by the Sub-contractors as if they were its own. In respect of any element of the Services delivered by Supplier Personnel and/or which are Sub-contracted by the Supplier, an obligation on the Supplier to do or to refrain from doing any act or thing under this Agreement, shall include an obligation on the Supplier to procure that the Supplier Personnel and the Sub-contractor also do or refrain from doing such act or thing in their delivery of those elements of the Services.

Exclusion of Sub-contractors

15.27 Where the Authority considers whether there are grounds for the exclusion of a Sub-contractor under Regulation 57 of the Public Contracts Regulations 2015, then:

(a) if the Authority finds there are compulsory grounds for exclusion, the Supplier shall replace or shall not appoint the Sub-contractor;

(b) if the Authority finds there are non-compulsory grounds for exclusion, the Authority may require the Supplier to replace or not to appoint the Sub-contractor and the Supplier shall comply with such a requirement.

Reporting SME/VCSE Sub-contracts

15.28 In addition to any other Management Information requirements set out in this Agreement, the Supplier agrees that it shall, at no charge, provide timely, full, accurate and complete Supply Chain Transparency Information Reports to the Authority thirty (30) days prior to the of the end of each financial year by providing all of the information described in the Supply Chain Transparency Information Template in the format set out in the Schedule 8.4 (*Reports and Records Provisions*) Annex 4 and in accordance with any guidance issued by the Authority from time to time.

15.29 The Authority may update the Supply Chain Transparency Information Template from time to time (including the data required and/or format) by

issuing a replacement version with at least thirty (30) days' notice and specifying the date from which it must be used.

SECTION F – INTELLECTUAL PROPERTY, DATA AND CONFIDENTIALITY

16 INTELLECTUAL PROPERTY RIGHTS

16.1 Except as expressly set out in this Agreement:

(a) the Authority shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Supplier or its licensors, namely:

(i) the Supplier Software, including any Supplier Software provided by way of Software as a Service;

(ii) the Third Party Software, including any Third Party Software provided by way of Software as a Service;

(iii) the Third Party IPRs; and

(iv) the Supplier Background IPRs;

(b) the Supplier shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Authority or its licensors, including:

(i) the Authority Software;

(ii) the Authority Data; and

(iii) the Authority Background IPRs;

(c) Specially Written Software and Project Specific IPRs (except for any Know-How, trade secrets or Confidential Information contained therein) shall be the property of the Authority save where there are any Supplier Non-COTS Software or any Supplier Background IPRs embedded in or that are an integral part of such Specially Written Software and Project Specific IPRs;

(d) Specially Written Software and Project Specific IPRs shall be the property of the Supplier where there are any Supplier Non-COTS Software or any Supplier Background IPRs embedded in or that are an integral part of such Specially Written Software and Project Specific IPRs.

16.2 Where either Party acquires, by operation of law, title to Intellectual Property Rights that is inconsistent with the allocation of title set out in Clause 16.1, it shall assign in writing such Intellectual Property Rights as it has acquired to the other Party on the request of the other Party (whenever made).

16.3 Neither Party shall have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.

16.4 Unless the Authority otherwise agrees in advance in writing:

(a) all Specially Written Software and any software element of Project Specific IPRs shall be created in a format, or able to be converted

into a format, which is suitable for publication by the Authority as open source software; and

(b) where the Specially Written Software and any software element of Project Specific IPRs are written in a format that requires conversion before publication as open source software, the Supplier shall also provide the converted format to the Authority.

16.5 Where the Authority agrees that any Specially Written Software and/or any software element of Project Specific IPRs should be excluded from Open Source publication, the Supplier shall as soon as reasonably practicable provide written details of the impact that such exclusion will have on the Authority's ability to publish other Open Source Software under Clause 20 (*Open Source Software and Open Source Publication*).

16A SOFTWARE AS A SERVICE

16A.1 Where the Parties agree that any Software shall be provided by way of Software as a Service and it is indicated as such in Schedule 5 (*Software*), or where the Parties subsequently agree in writing that any Software shall be provided by way of Software as a Service, the Authority acknowledges that, as a consequence:

16A.1.1 except for Specially Written Software:

16A1.1.1 it will not be provided with a physical copy of such Software; and

16A1.1.2 use of such Software is restricted to use by way of Software as a Service and, as consequence, any reference to granting of a licence under this Agreement in respect of such Software shall be construed as a licence to use by way of Software as a Service only;

16A.1.2 any reference to a perpetual licence granted to the Authority under this Agreement in relation to Software to be provided as Software as a Service in accordance with this clause 16A.1 shall be construed as a licence for the term of this Agreement only;

16A.1.3 clause 17.15 (*Termination and Replacement Suppliers*) shall not apply in relation to such Software; and

16A.1.4 the provisions of clause 17.16 (*Termination and Replacement Suppliers*) shall, in relation to such Software, be modified such that any reference to a requirement to grant a licence shall be construed as an obligation to provide a right to access and use the same by way of Software as a Service for a minimum of two years following the termination or expiry of this Agreement on a paid for basis and through a separate agreement to be executed by the Authority and the Supplier in relation to such Software or by the Authority and the Third Party in relation to such Software (as applicable), on terms no less favourable than those on which such Software is usually made commercially available by the Supplier or applicable third party, and

16A.1.5 in respect of any Third Party Software for which, pursuant to clause 17.12 or 17.13, the Authority has approved or the Supplier otherwise obtained licence terms which are not royalty or payment free, the Supplier will pay all royalties and any other fees due and payable pursuant to such licence terms during the Term on behalf of the Authority,

and the provisions of clause 17 (*Transfer and Licences Granted by the Supplier*) shall be construed accordingly.

16A.2 The Supplier agrees to provide the Authority with all software keys, access codes and/or other login requirements as necessary to access and use any Software provided by way of Software as a Service.

17 TRANSFER AND LICENCES GRANTED BY THE SUPPLIER

Specially Written Software and Project Specific IPRs

17.1 Subject to Clause 17.17 (*Patents*) the Supplier hereby assigns (including by way of present assignment of future rights) to the Authority, or shall procure the transfer to the Authority of, all rights (subject to Clause 16.1(a) (*Intellectual Property Rights*)) in the Specially Written Software and the Project Specific IPRs referred to in Clause 16.1(c) including (without limitation):

(a) the Documentation, Source Code and the Object Code of the Specially Written Software; and

(b) all build instructions, test instructions, test scripts, test data, operating instructions and other documents and tools necessary for maintaining and supporting the Specially Written Software (together the "**Software Supporting Materials**");

but not including any Know-How, trade secrets or Confidential Information.

17.1A The Supplier shall procure and provide to the Authority, written absolute waivers from all authors of the existing Specially Written Software and Project Specific IPRs referred to in Clause 16.1(c) in relation to all their moral rights arising under the Copyright, Designs and Patents Act 1988 and, so far as is legally possible, any broadly equivalent rights such authors may have in any territory of the world and shall provide to the Assignee absolute waivers of all moral rights in each future Specially Written Software and Project Specific IPRs referred to in Clause 16.1(c) promptly on their creation.

17.2 The Supplier:

(a) shall:

(i) inform the Authority of all Specially Written Software and any element of Project Specific IPRs referred to in Clause 16.1(c) that constitutes a modification or enhancement to Supplier Software or Third Party Software; and

(ii) deliver to the Authority the Specially Written Software and the software element of Project Specific IPRs referred to in

Clause 16.1 (c) in both Source Code and Object Code forms together with relevant Documentation and all related Software Supporting Materials within seven (7) days of the issue of a Milestone Achievement Certificate in respect of the relevant Deliverable and shall provide updates of the Source Code and of the Software Supporting Materials promptly following each new release of the Specially Written Software referred to in Clause 16.1(c), in each case on media that is reasonably acceptable to the Authority; and

(iii) without prejudice to Clause 17.11 (*Third Party Software and Third Party IPRs*), provide full details to the Authority of any Supplier Background IPRs or Third Party IPRs which are embedded in or which are an integral part of the Specially Written Software or any element of Project Specific IPRs;

(b) acknowledges and agrees that the ownership of the media referred to in Clause 17.2(a)(ii) shall vest in the Authority upon their creation; and

(c) shall execute all such assignments as are required to ensure that any rights in the Specially Written Software and Project Specific IPRs referred to in Clause 16.1(c) are properly transferred to the Authority.

Supplier Software and Supplier Background IPRs

17.3 The Supplier shall not use any Supplier Non-COTS Software or Supplier Non-COTS Background IPR in the provision of the Services unless it is detailed in Schedule 5 (*Software*) or sent to the Executive Review for review and approval granted by the Authority.

17.4 The Supplier hereby grants to the Authority:

(a) subject to the provisions of Clause 17.4A, Clause 17.17 (*Patents*) and Clause 35.11(b) (*Consequences of expiry or termination*) royalty-free and non-exclusive licences to use (including but not limited to the right to load, execute, store, transmit, display and copy (for the purposes of archiving, backing-up, loading, execution, storage, transmission or display)):

(i) the Supplier Non-COTS Software for which the Supplier delivers a copy to the Authority for any purpose relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Authority's (or any other Central Government Body's) business or function;

(ii) the Supplier Non-COTS Background IPRs for any purpose relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Authority's (or any other Central Government Body's) business or function; and

(iii) the Specially Written Software and Project Specific IPRs referred to in Clause 16.1(d) for any purpose relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Authority's (or any other Central Government Body's) business or function

(b) a licence to use the Supplier COTS Software for which the Supplier delivers a copy to the Authority and Supplier COTS Background IPRs on the licence terms identified in a letter in or substantially in the form set out in Annex 1 to Schedule 5 (*Software*) and signed by or on behalf of the Parties on or before the Effective Date provided always that the Authority shall remain entitled to sub-license and to assign and novate the Supplier COTS Software and Supplier COTS Background IPRs on equivalent terms to those set out in Clauses 17.7 (*Authority's right to sub-licence*) and 17.8 (*Authority's right to assign/novate sub-licences*) in relation to the Supplier Non-COTS Software and Supplier Non-COTS Background IPRs; and

(c) a perpetual royalty-free non-exclusive licence to use without limitation any Know-How, trade secrets or Confidential Information contained within the Specially Written Software or the Project Specific IPRs. This license does not authorise the Authority to separate the Supplier Know-How, trade secrets or Confidential Information from the Specially Written Software or the Project Specific IPRs in which they are incorporated for the purpose of creating a stand-alone product for marketing to others.

17.4A The duration of the licence granted in Clause 17.4(a) shall be for the Term plus 24 months provided that where this Agreement has expired, the Authority shall pay to the Supplier a reasonable royalty, which shall be agreed by the Parties, acting reasonably, in respect of the licence for the period following the Termination Date. Where this Agreement has been terminated by the Authority pursuant to Clause 34.1(b), the Authority shall not be obliged to make any payment to the Supplier in respect of the licence following the Termination Date.

17.5 At any time during the Term or following termination or expiry of this Agreement, the Supplier may terminate the licence granted in respect of the Supplier Non-COTS Software under Clause 17.4(a)(i) or in respect of the Supplier Non-COTS Background IPRs under Clause 17.4(a)(ii) or in respect of the Specially Written Software and Project Specific IPRs referred to in Clause 16.1(d) under Clause 17.4(a)(iii) by giving thirty (30) days' notice in writing (or such other period as agreed by the Parties) if the Authority or any person to whom the Authority grants a sub-licence pursuant to Clause 17.7 (*Authority's right to sub-license*) commits any material breach of the terms of Clause 17.4(a)(i), 17.4(a)(ii), 17.4(a)(iii) or 17.7(a)(ii) (as the case may be) which, if the breach is capable of remedy, is not remedied within 20 Working Days after the Supplier gives the Authority written notice specifying the breach and requiring its remedy.

17.6 In the event the licence of the Supplier Non-COTS Software or the Supplier Non-COTS Background IPRs or the Specially Written Software and Project

Specific IPRs referred to in Clause 16.1(d) is terminated pursuant to Clause 17.5, the Authority shall:

(a) immediately cease all use of the Supplier Non-COTS Software or the Supplier Non-COTS Background IPRs or the Specially Written Software and Project Specific IPRs referred to in Clause 16.1(d) (as the case may be);

(b) at the discretion of the Supplier, return or destroy documents and other tangible materials to the extent that they contain any of the Supplier Non-COTS Software and/or the Supplier Non-COTS Background IPRs or the Specially Written Software and Project Specific IPRs referred to in Clause 16.1(d), provided that if the Supplier has not made an election within 6 months of the termination of the licence, the Authority may destroy the documents and other tangible materials that contain any of the Supplier Non-COTS Software and/or the Supplier Non-COTS Background IPRs and/or the Specially Written Software and Project Specific IPRs referred to in Clause 16.1(d) (as the case may be); and

(c) ensure, so far as reasonably practicable, that any Supplier Non-COTS Software and/or Supplier Non-COTS Background IPRs or any Specially Written Software and Project Specific IPRs referred to in Clause 16.1(d) that are held in electronic, digital or other machine-readable form ceases to be readily accessible (other than by the information technology staff of the Authority) from any computer, word processor, voicemail system or any other device containing such Supplier Non-COTS Software and/or Supplier Non-COTS Background IPRs and/or the Specially Written Software and Project Specific IPRs referred to in Clause 16.1(d).

Authority's right to sub-license

17.7 Subject to Clause 17.17 (*Patents*) the Authority may sub-license:

(a) the rights granted under Clause 17.4(a) to a third party (including for the avoidance of doubt, any Replacement Supplier) provided that:

(i) the sub-licence is on terms no broader than those granted to the Authority;

(ii) the sub-licence authorises the third party to use the rights licensed in Clause 17.4(a) only for purposes relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Authority's (or any other Central Government Body's) business or function; and

(iii) the sub-licensee shall have executed a confidentiality undertaking in favour of the Supplier in or substantially in the form set out in Annex 2 to Schedule 5 (*Software*); and

(b) the rights granted under Clause 17.4(a) to any Approved Sub-Licensee to the extent necessary to use and/or obtain the benefit of

the Specially Written Software and/or the Project Specific IPRs provided that:

(i) the sub-licence is on terms no broader than those granted to the Authority; and

(ii) the Supplier has received a confidentiality undertaking in its favour in or substantially in the form set out in Annex 2 to Schedule 5 (*Software*) duly executed by the Approved Sub-Licensee.

Authority's right to assign/novate licences

17.8 The Authority may assign, novate or otherwise transfer its rights and obligations under the licences granted pursuant to Clause 17.4(a) (*Supplier Software and Supplier Background IPRs*) to:

(a) a Central Government Body; or

(b) to any body (including any private sector body) which performs or carries on any of the functions and/or activities that previously had been performed and/or carried on by the Authority.

17.9 Any change in the legal status of the Authority which means that it ceases to be a Central Government Body shall not affect the validity of any licence granted in Clause 17.4 (*Supplier Software and Supplier Background IPRs*). If the Authority ceases to be a Central Government Body, the successor body to the Authority shall still be entitled to the benefit of the licence granted in Clause 17.4 (*Supplier Software and Supplier Background IPRs*).

17.10 If a licence granted in Clause 17.4 (*Supplier Software and Supplier Background IPRs*) is novated under Clause 17.8 (*Authority's right to assign/novate licences*) or there is a change of the Authority's status pursuant to Clause 17.9, the rights acquired on that novation or change of status shall not extend beyond those previously enjoyed by the Authority.

Third Party Software and Third Party IPRs

17.11 The Supplier shall not use in the provision of the Services (including in any Specially Written Software or in the software element of Project Specific IPRs) any Third Party Non-COTS Software or Third Party Non-COTS IPRs unless detailed in Schedule 5 (*Software*) or approval is granted by the Authority following a review by the Executive Review and has in each case either:

(a) first procured that the owner or an authorised licensor of the relevant Third Party Non-COTS IPRs or Third Party Non-COTS Software (as the case may be) has granted a direct licence to the Authority on a royalty-free basis to the Authority and on terms no less favourable to the Authority than those set out in Clauses 17.4(a) and 17.5 (Supplier Software and Supplier Background IPRs) and Clause 17.8 (*Authority's right to assign/novate licences*); or

(b) complied with the provisions of Clause 17.12.

17.12 If the Supplier cannot obtain for the Authority a licence in respect of any Third Party Non-COTS Software and/or Third Party Non-COTS IPRs in accordance with the licence terms set out in Clause 17.11(a), the Supplier shall:

(a) notify the Authority in writing giving details of what licence terms can be obtained from the relevant third party and whether there are alternative software providers which the Supplier could seek to use; and

(b) use the relevant Third Party Non-COTS Software and/or Third Party Non-COTS IPRs only if the Authority has first approved in writing the terms of the licence from the relevant third party.

17.13 The Supplier shall:

(a) notify the Authority in writing of all Third Party COTS Software and Third Party COTS IPRs that it uses and the terms on which it uses them; and

(b) unless instructed otherwise in writing by the Authority in any case within 20 Working Days of notification pursuant to Clause 17.12(a), use all reasonable endeavours to procure in each case that the owner or an authorised licensor of the relevant Third Party COTS Software and Third Party COTS IPRs grants a direct licence to the Authority on terms no less favourable (including as to indemnification against IPRs Claims) than those on which such software is usually made commercially available by the relevant third party.

17.14 Should the Supplier become aware at any time, including after termination, that the Specially Written Software and/or the Project Specific IPRs contain any Intellectual Property Rights for which the Authority does not have a suitable licence, then the Supplier must notify the Authority within ten (10) days of what those rights are and which parts of the Specially Written Software and the Project Specific IPRs they are found in.

Termination and Replacement Suppliers

17.15 For the avoidance of doubt, the termination or expiry of this Agreement shall not of itself result in any termination of any of the licences granted by the Supplier or relevant third party pursuant to or as contemplated by this Clause 17.

17.16 The Supplier shall, if requested by the Authority in accordance with Schedule 8.5 (*Exit Management*) and at the Supplier's cost:

(a) grant (or procure the grant) to any Replacement Supplier of:

(i) a licence to use any Supplier Non-COTS Software, Supplier Non-COTS Background IPRs, Third Party Non-COTS IPRs and/or Third Party Non-COTS Software on a royalty-free basis to the Replacement Supplier and on terms no less favourable than those granted to the Authority in respect of

the relevant Software and/or IPRs pursuant to or as contemplated by this Clause 17 subject to receipt by the Supplier of a confidentiality undertaking in its favour in or substantially in the form set out in Annex 2 to Schedule 5 (*Software*) duly executed by the Replacement Supplier;

(ii) a licence to use any Supplier COTS Software and/or Supplier COTS Background IPRs, on terms no less favourable (including as to indemnification against IPRs Claims) than those on which such software is usually made commercially available by the Supplier; and/or

(b) use all reasonable endeavours to procure the grant to any Replacement Supplier of a licence to use any Third Party COTS Software and/or Third Party COTS IPRs on terms no less favourable (including as to indemnification against IPRs Claims) than those on which such software is usually made commercially available by the relevant third party.

Patents

17.17 Where a patent owned by the Supplier is necessarily infringed by the use of the Specially Written Software or Project Specific IPRs by the Authority or any Replacement Supplier, the Supplier hereby grants to the Authority and the Replacement Supplier a non-exclusive, irrevocable, royalty-free, worldwide patent licence to use the infringing methods, materials or software solely for the purpose for which they were delivered under this Agreement.

18 LICENCES GRANTED BY THE AUTHORITY

18.1 The Authority hereby grants to the Supplier a royalty-free, non-exclusive, non-transferable licence during the Term to use the Authority Software, the Authority Background IPRs, the Specially Written Software, the Project Specific IPRs and the Authority Data solely to the extent necessary for performing the Services in accordance with this Agreement, including (but not limited to) the right to grant sub-licences to Sub-contractors provided that:

(a) any relevant Sub-contractor has entered into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 22 (*Confidentiality*); and

(b) the Supplier shall not, without the Authority's prior written consent, use the licensed materials for any other purpose or for the benefit of any person other than the Authority; and

(c) the Supplier shall comply with clause 25.2.

18.2 In the event of the termination or expiry of this Agreement, the licence granted pursuant to Clause 18.1 and any sub-licence granted by the Supplier in accordance with Clause 18.1 shall terminate automatically on the date of such termination or expiry and the Supplier shall:

(a) immediately cease all use of the Authority Software, the Authority Background IPRs and the Authority Data (as the case may be);

(b) at the discretion of the Authority, return or destroy documents and other tangible materials that contain any of the Authority Software, the Authority Background IPRs and the Authority Data, provided that if the Authority has not made an election within 6 months of the termination of the licence, the Supplier may destroy the documents and other tangible materials that contain any of the Authority Software, the Authority Background IPRs and the Authority Data (as the case may be); and

(c) ensure, so far as reasonably practicable, that any Authority Software, Authority Background IPRs and Authority Data that are held in electronic, digital or other machine-readable form ceases to be readily accessible from any Supplier computer, word processor, voicemail system or any other Supplier device containing such Authority Software, Authority Background IPRs and/or Authority Data.

19 IPRs INDEMNITY

19.1 The Supplier shall at all times, during and after the Term, on written demand indemnify the Authority and each other Indemnified Person, and keep the Authority and each other Indemnified Person indemnified, against all Losses incurred by, awarded against or agreed to be paid by an Indemnified Person arising from an IPRs Claim.

19.2 If an IPRs Claim is made, or the Supplier anticipates that an IPRs Claim might be made, the Supplier may, at its own expense and sole option, either:

(a) procure for the Authority or other relevant Indemnified Person the right to continue using the relevant item which is subject to the IPRs Claim; or

(b) replace or modify the relevant item with non-infringing substitutes provided that:

(i) the performance and functionality of the replaced or modified item is at least equivalent to the performance and functionality of the original item;

(ii) the replaced or modified item does not have an adverse effect on any other services or the IT Environment;

(iii) there is no additional cost to the Authority or relevant Indemnified Person (as the case may be); and

(iv) the terms and conditions of this Agreement shall apply to the replaced or modified Services.

19.3 If the Supplier elects to procure a licence in accordance with Clause 19.2(a) or to modify or replace an item pursuant to Clause 19.2(b), but this has not avoided or resolved the IPRs Claim, then:

(a) the Authority may terminate this Agreement (if subsisting) with immediate effect by written notice to the Supplier; and

(b) without prejudice to the indemnity set out in Clause 19.1, the Supplier shall be liable for all reasonable and unavoidable costs of the substitute items and/or services including the additional costs of procuring, implementing and maintaining the substitute items.

20 OPEN SOURCE SOFTWARE AND OPEN SOURCE PUBLICATION

20.1 The Supplier shall ensure that the Software (excluding the OSS):

20.1.1 is provided aggregated with the OSS;

20.1.2 does not contain any Open Source Software other than the OSS; and

20.1.3 remains separable from or merely links or binds by name to the interfaces of the OSS.

20.2 The Supplier shall not at any time during the Term without the express written consent of the Authority include in or aggregate with the Software any Open Source Software other than the OSS, or make any changes to the Software which require it to be aggregated with or operated in conjunction with any open source software other than the OSS.

20.3 The Supplier warrants that the OSS is licensed upon terms which permit the use of such Open Source Software by the Supplier, the Authority and the Authority's end users for all purposes contemplated by this Agreement.

Open Source publication

20.4 The Supplier agrees that the Authority may at its sole discretion publish as Open Source Software all or part of the Specially Written Software and any software element of the Project Specific IPRs after the Operational Service Commencement Date.

20.5 The Supplier hereby warrants that the Specially Written Software and any software element of the Project Specific IPRs:

(a) are suitable for release as Open Source and that any release will not allow a third party to use the Open Source software to in any way compromise the operation, running or security of the Specially Written Software, the Project Specific IPRs or the Authority System;

(b) shall not cause any harm or damage to any party using anything published as Open Source and that the Specially Written Software and the Project Specific IPRs do not contain any Malicious Software;

(c) do not contain any material which would bring the Authority into disrepute upon publication as Open Source;

(d) do not contain any IPR owned or claimed to be owned by any third party which is found, or alleged to be found, in the Specially Written Software and the Project Specific IPRs ("**Non-Party IPRs**"); and

(e) will be supplied in a format suitable for publication as Open Source ("**the Open Source Publication Material**") no later than the Operational Service Commencement Date.

20.6 The Supplier shall ensure that the Open Source Publication Material provided to the Authority does not include any Supplier Software or Supplier Background IPRs save that which the Supplier is willing to allow to be included in any Open Source publication. In such a case, the Supplier hereby acknowledges that any such Supplier Software or Supplier Background IPRs will become Open Source and will be licensed and treated as such following publication by the Authority and any third party that uses the Open Source Publication Materials on the terms of the Open Source licence used by the Authority when publishing as Open Source.

20.7 The Supplier hereby indemnifies the Authority against all claims in which the Authority is, or is threatened to be, a party for any alleged infringement of any Non-Party IPRs arising from publication of the Specially Written Software and any software element of the Project Specific IPRs as Open Source under sub-clause 20.120.4.

21 AUTHORITY DATA AND SECURITY REQUIREMENTS

21.1 The Supplier shall not delete or remove any proprietary notices contained within or relating to the Authority Data.

21.2 The Supplier shall not store, copy, disclose, or use the Authority Data except as necessary for the performance by the Supplier of its obligations under this Agreement or as otherwise expressly authorised in writing by the Authority.

21.3 To the extent that Authority Data is held and/or processed by the Supplier, the Supplier shall supply that Authority Data to the Authority as requested by the Authority in the format specified in **Schedule 2.1** (*Services Description*).

21.4 The Supplier shall preserve the integrity of Authority Data and prevent the corruption or loss of Authority Data at all times that the relevant Authority Data is under its control or the control of any Sub-contractor.

21.5 The Supplier shall perform secure back-ups of all Authority Data and shall ensure that up-to-date back-ups are stored off-site in accordance with the Service Continuity Plan. The Supplier shall ensure that such back-ups are available to the Authority (or to such other person as the Authority may direct) at all times upon request and are delivered to the Authority at no less than 6 monthly intervals (or such other intervals as may be agreed in writing between the Parties).

21.6 The Supplier shall ensure that any system on which the Supplier holds any Authority Data, including back-up data, is a secure system that complies with the Security Requirements.

21.7 If the Authority Data is corrupted, lost or sufficiently degraded as a result of the Supplier's Default so as to be unusable, the Authority may:

(a) require the Supplier (at the Supplier's expense) to restore or procure the restoration of Authority Data to the extent and in accordance with the requirements specified in Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*) and the Supplier shall do so as soon as practicable but not later than 5 Working Days from the date of receipt of the Authority's notice; and/or

(b) itself restore or procure the restoration of Authority Data, and shall be repaid by the Supplier any reasonable expenses incurred in doing so to the extent and in accordance with the requirements specified in Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*).

21.8 If at any time the Supplier suspects or has reason to believe that Authority Data has or may become corrupted, lost or sufficiently degraded in any way for any reason, then the Supplier shall notify the Authority immediately and inform the Authority of the remedial action the Supplier proposes to take.

21.9 The Supplier shall comply with the requirements of Schedule 2.4 (*Security Management*).

21.10 The Authority shall notify the Supplier of any changes or proposed changes to the Baseline Security Requirements.

21.11 If the Supplier believes that a change or proposed change to the Baseline Security Requirements will have a material and unavoidable cost implication to the Services it may submit a Change Request. In doing so, the Supplier must support its request by providing evidence of the cause of any increased costs and the steps that it has taken to mitigate those costs. Any change to the Charges shall then be agreed in accordance with the Change Control Procedure.

21.12 Until and/or unless a change to the Charges is agreed by the Authority pursuant to Clause 21.11 the Supplier shall continue to perform the Services in accordance with its existing obligations.

22 CONFIDENTIALITY

22.1 For the purposes of this Clause 22, the term "**Disclosing Party**" shall mean a Party which discloses or makes available directly or indirectly its Confidential Information and "**Recipient**" shall mean the Party which receives or obtains directly or indirectly Confidential Information.

22.2 Except to the extent set out in this Clause 22 or where disclosure is expressly permitted elsewhere in this Agreement, the Recipient shall:

(a) treat the Disclosing Party's Confidential Information as confidential and keep it in secure custody (which is appropriate depending upon the form in which such materials are stored and the nature of the Confidential Information contained in those materials);

(b) not disclose the Disclosing Party's Confidential Information to any other person except as expressly set out in this Agreement or without obtaining the owner's prior written consent;

(c) not use or exploit the Disclosing Party's Confidential Information in any way except for the purposes anticipated under this Agreement; and

(d) immediately notify the Disclosing Party if it suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form of any of the Disclosing Party's Confidential Information.

22.3 The Recipient shall be entitled to disclose the Confidential Information of the Disclosing Party where:

(a) the Recipient is required to disclose the Confidential Information by Law, provided that Clause 23 (*Transparency and Freedom of Information*) shall apply to disclosures required under the FOIA or the EIRs;

(b) the need for such disclosure arises out of or in connection with:

(i) any legal challenge or potential legal challenge against the Authority arising out of or in connection with this Agreement;

(ii) the examination and certification of the Authority's accounts (provided that the disclosure is made on a confidential basis) or for any examination pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority is making use of any Services provided under this Agreement; or

(iii) the conduct of a Central Government Body review in respect of this Agreement; or

(c) the Recipient has reasonable grounds to believe that the Disclosing Party is involved in activity that may constitute a criminal offence under the Bribery Act 2010 and the disclosure is being made to the Serious Fraud Office.

22.4 If the Recipient is required by Law to make a disclosure of Confidential Information, the Recipient shall as soon as reasonably practicable and to the extent permitted by Law notify the Disclosing Party of the full circumstances of the required disclosure including the relevant Law and/or regulatory body requiring such disclosure and the Confidential Information to which such disclosure would apply.

22.5 The Supplier may disclose the Confidential Information of the Authority on a confidential basis only to:

(a) Supplier Personnel who are directly involved in the provision of the Services and need to know the Confidential Information to enable performance of the Supplier's obligations under this Agreement;

(b) its auditors; and

(c) its professional advisers for the purposes of obtaining advice in relation to this Agreement.

Where the Supplier discloses Confidential Information of the Authority pursuant to this Clause 22.5, it shall remain responsible at all times for compliance with the confidentiality obligations set out in this Agreement by the persons to whom disclosure has been made.

22.6 The Authority may disclose the Confidential Information of the Supplier:

(a) on a confidential basis to any Central Government Body for any proper purpose of the Authority or of the relevant Central Government Body;

(b) to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;

(c) to the extent that the Authority (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;

(d) on a confidential basis to a professional adviser, consultant, supplier or other person engaged by any of the entities described in Clause 22.6(a) (including any benchmarking organisation) for any purpose relating to or connected with this Agreement;

(e) on a confidential basis for the purpose of the exercise of its rights under this Agreement, including the Audit Rights, its step-in rights pursuant to Clause 31 (*Step-In Rights*), its rights to appoint a Remedial Adviser pursuant to Clause 30 (*Remedial Adviser*) and Exit Management rights; or

(f) on a confidential basis to a proposed Successor Body in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under this Agreement,

and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Authority under this Clause 22.

22.7 Nothing in this Clause 22 shall prevent a Recipient from using any techniques, ideas or know-how gained during the performance of this Agreement in the course of its normal business to the extent that this use does not result in a disclosure of the Disclosing Party's Confidential Information or an infringement of Intellectual Property Rights.

23 TRANSPARENCY AND FREEDOM OF INFORMATION

23.1 The Parties acknowledge that:

(a) the Transparency Reports;

(b) the content of this Agreement, including any changes to this Agreement agreed from time to time, except for –

(i) any information which is exempt from disclosure in accordance with the provisions of the FOIA, which shall be determined by the Authority; and

(ii) Commercially Sensitive Information; and

(c) the Publishable Performance Information

(together the "**Transparency Information**") are not Confidential Information.

23.2 Notwithstanding any other provision of this Agreement, the Supplier hereby gives its consent for the Authority to publish to the general public the Transparency Information in its entirety (but with any information which is exempt from disclosure in accordance with the provisions of the FOIA redacted). The Authority shall, prior to publication, consult with the Supplier on the manner and format of publication and to inform its decision regarding any redactions but shall have the final decision in its absolute discretion.

23.3 The Supplier shall assist and co-operate with the Authority to enable the Authority to publish the Transparency Information, including the preparation of the Transparency Reports in accordance with Paragraph 1 of Schedule 8.4 (*Reports and Records Provisions*).

23.4 If the Authority believes that publication of any element of the Transparency Information would be contrary to the public interest, the Authority shall be entitled to exclude such information from publication. The Authority acknowledges that it would expect the public interest by default to be best served by publication of the Transparency Information in its entirety. Accordingly, the Authority acknowledges that it will only exclude Transparency Information from publication in exceptional circumstances and agrees that where it decides to exclude information from publication it will provide a clear explanation to the Supplier.

23.5 The Authority shall publish the Transparency Information in a format that assists the general public in understanding the relevance and completeness of the information being published to ensure the public obtain a fair view on how the Agreement is being performed, having regard to the context of the wider commercial relationship with the Supplier.

23.6 The Supplier agrees that any Information it holds that is not included in the Transparency Reports but is reasonably relevant to or that arises from the provision of the Services shall be provided to the Authority on request unless the cost of doing so would exceed the appropriate limit prescribed under section 12 of the FOIA. The Authority may disclose such information under the FOIA and the EIRs and may (except for Commercially Sensitive Information, Confidential Information (subject to Clause 22.6(c)) and Open Book Data) publish such Information. The Supplier shall provide to the Authority within five (5) Working Days (or such other period as the Authority may reasonably specify) any such Information requested by the Authority.

23.7 The Supplier acknowledges that the Authority is subject to the requirements of the FOIA and the EIRs. The Supplier shall:

(a) provide all necessary assistance and cooperation as reasonably requested by the Authority to enable the Authority to comply with its obligations under the FOIA and EIRs;

(b) transfer to the Authority all Requests for Information relating to this Agreement that it receives as soon as practicable and in any event within 2 Working Days of receipt;

(c) provide the Authority with a copy of all Information held on behalf of the Authority which is requested in a Request For Information and which is in its possession or control in the form that the Authority requires within 5 Working Days (or such other period as the Authority may reasonably specify) of the Authority's request for such Information; and

(d) not respond directly to a Request For Information addressed to the Authority unless authorised in writing to do so by the Authority.

23.8 The Supplier acknowledges that the Authority may be required under the FOIA and EIRs to disclose Information (including Commercially Sensitive Information) without consulting or obtaining consent from the Supplier. The Authority shall take reasonable steps to notify the Supplier of a Request For Information (in accordance with the Secretary of State's section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in this Agreement) the Authority shall be responsible for determining in its absolute discretion whether any Commercially Sensitive Information and/or any other information is exempt from disclosure in accordance with the FOIA and EIRs.

24 PROTECTION OF PERSONAL DATA

24.1 The Parties acknowledge that for the purposes of the Data Protection Legislation, the nature of the activity carried out by each of them in relation to their respective obligations under this Agreement will determine the status of each Party under the Data Protection Legislation. A Party may act as:

(a) "Controller" (where the other Party acts as the "Processor");

(b) "Processor" (where the other Party acts as the "Controller");

(c) "Independent Controller" of the Personal Data where the other Party is also "Controller" of the same Personal Data in its own right (but there is no element of joint control);

and the Parties shall set out in Schedule 11 (*Processing Personal Data*) which scenario or scenarios are intended to apply under this Agreement.

Where one Party is Controller and the other Party its Processor

24.2 Where a Party is a Processor, the only processing that it is authorised to undertake for and/or on behalf of the Controller is listed in Schedule 11 (*Processing Personal Data*) and as otherwise authorised under this Agreement .

24.3 The Processor shall notify the Controller immediately if it considers that any of the Controller's instructions infringe the Data Protection Legislation.

24.4 The Processor shall provide all reasonable assistance to the Controller in the preparation of any Data Protection Impact Assessment prior to commencing any processing. Such assistance may, at the discretion of the Controller, include:

(a) a systematic description of the envisaged processing operations and the purpose of the processing;

(b) an assessment of the necessity and proportionality of the processing operations in relation to the Services;

(c) an assessment of the risks to the rights and freedoms of Data Subjects; and

(d) the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.

24.5 The Processor shall, in relation to any Personal Data processed in connection with its obligations under this Agreement:

(a) process that Personal Data only in accordance with Schedule 11 (*Processing Personal Data*), unless the Processor is required to do otherwise by Law. If it is so required the Processor shall promptly notify the Authority before processing the Personal Data unless prohibited by Law;

(b) ensure that it has in place Protective Measures, including in the case of the Controller the measures set out in Clause 21 (*Authority Data and Security Requirements*), which the Controller may reasonably reject (but failure to reject shall not amount to approval by the Controller of the adequacy of the Protective Measures) having taken account of the:

(i) nature of the data to be protected;

(ii) harm that might result from a Data Loss Event;

(iii) state of technological development; and

(iv) cost of implementing any measures;

(c) ensure that:

(i) the Processor Personnel do not process Personal Data except in accordance with this Agreement (and in particular Schedule 11 (*Processing Personal Data*));

(ii) it takes all reasonable steps to ensure the reliability and integrity of any Processor Personnel who have access to the Personal Data and ensure that they:

(A) are aware of and comply with the Processor's duties under this Clause 24 and, Clauses 22 (*Confidentiality*) and 21 (*Authority Data and Security Requirements*);

(B) are subject to appropriate confidentiality undertakings with the Processor or any Sub-processor or are under an appropriate statutory obligation of confidentiality;

(C) are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third Party unless directed in writing to do so by the Controller or as otherwise permitted by this Agreement; and

(D) are appropriately reliable and qualified and have undergone adequate training in relation to their use, care, protection and handling of Personal Data;

(d) not transfer Personal Data outside of the UK (a "**Restricted Transfer** ") unless the prior written consent of the Controller has been obtained. Before making such a transfer, the Processor will demonstrate or implement, to the Controller's satisfaction, appropriate safeguards for that transfer in accordance with Data Protection Legislation and will ensure that enforceable rights and effective legal remedies are available for Data Subjects. Such appropriate safeguards may include:

(i) the Controller or the Processor has provided appropriate safeguards in relation to the Restricted Transfer (whether in accordance with Article 46 of the UK GDPR or Section 75 of the DPA) as determined by the Controller;

(ii) that the country or territory to which the Restricted Transfer is to be made ensures an adequate level of protection for processing of Personal Data pursuant to adequacy regulations made in accordance with Data Protection Legislation;

(iii) the Processor enters into an agreement with the Controller in the form of the standard contractual clauses for the transfer of personal data to Processors established in third countries approved in accordance with Data Protection Legislation, completed with such information as the Controller may require and as set out in the Annex to Schedule 11

(*Processing Personal Data*), as well as any additional measures determined by the Controller;

(iv) to the extent applicable, the International Data Transfer Agreement or International Data Transfer Agreement Addendum to the European Commission's SCCs as published by the Information Commissioner's Office and as set out in the Annex to Schedule 11 *(Processing Personal Data*), as well as any additional measures determined by the Controller; and

(e) at the written direction of the Controller, delete or return Personal Data (and any copies of it) to the Controller on termination of the Agreement unless the Processor is required by Law to retain the Personal Data.

(f) If the appropriate safeguards demonstrated or implemented in accordance with this clause 24.5 are deemed at any time not to provide an adequate level of protection in relation to Personal Data, the Processor will implement such alternative measures and execute all such documents as may be required by the Controller to ensure that the relevant Restricted Transfer and all resulting processing are compliant with Data Protection Legislation.

24.6 Subject to Clause 24.7, the Processor shall notify the Controller immediately if it:

(a) receives a Data Subject Request (or purported Data Subject Request);

(b) receives a request to rectify, block or erase any Personal Data;

(c) receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;

(d) receives any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data processed under this Agreement;

(e) receives a request from any third Party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or

(f) becomes aware of a Data Loss Event.

24.7 The Processor's obligation to notify under Clause 24.6 shall include the provision of further information to the Controller in phases, as details become available.

24.8 Taking into account the nature of the processing, the Processor shall provide the Controller with reasonable assistance in relation to either Party's obligations under Data Protection Legislation and any complaint, communication or request made under Clause 24.6 (and insofar as possible

within the timescales reasonably required by the Controller) including by promptly providing:

(a) the Controller with full details and copies of the complaint, communication or request;

(b) such assistance as is reasonably requested by the Controller to enable it to comply with a Data Subject Request within the relevant timescales set out in the Data Protection Legislation;

(c) the Controller, at its request, with any Personal Data it holds in relation to a Data Subject;

(d) assistance as requested by the Controller following any Data Loss Event; and/or

(e) assistance as requested by the Controller with respect to any request from the Information Commissioner's Office, or any consultation by the Controller with the Information Commissioner's Office.

24.9 The Processor shall maintain complete and accurate records and information to demonstrate its compliance with this Clause 24. This requirement does not apply where the Processor employs fewer than 250 staff, unless:

(a) the Controller determines that the processing is not occasional;

(b) the Controller determines that the processing includes special categories of Personal Data as referred to in Article 9(1) of the UK GDPR or Personal Data relating to criminal convictions and offences referred to in Article 10 of the UK GDPR; or

(c) the Controller determines that the processing is likely to result in a risk to the rights and freedoms of Data Subjects.

24.10 The Processor shall allow for and contribute to audits of its Data Processing activities by the Controller or the Controller's designated auditor.

24.11 The Parties shall designate a Data Protection Officer if required by the Data Protection Legislation.

24.12 Before allowing any Sub-processor to process any Personal Data related to this Agreement, the Processor must:

(a) notify the Controller in writing of the intended Sub-processor and processing;

(b) obtain the written consent of the Controller;

(c) enter into a written agreement with the Sub-processor which give effect to the terms set out in this Clause 24 such that they apply to the Sub-processor; and

(d) provide the Controller with such information regarding the Sub-processor as the Controller may reasonably require.

24.13 The Processor shall remain fully liable for all acts or omissions of any of its Sub-processors.

24.14 The Authority may, at any time on not less than 30 Working Days' notice, revise this Clause by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when incorporated by attachment to this Agreement).

24.15 The Parties agree to take account of any guidance issued by the Information Commissioner's Office. The Authority may on not less than 30 Working Days' notice to the Supplier amend this Agreement to ensure that it complies with any guidance issued by the Information Commissioner's Office.

Where the Parties are Independent Controllers of Personal Data

24.16 With respect to Personal Data provided by one Party to another Party for which each Party acts as Controller but which is not under the joint control of the Parties, each Party undertakes to comply with the applicable Data Protection Legislation in respect of their processing of such Personal Data as a sole, Independent Controller.

24.17 Each Party shall process the Personal Data in compliance with its obligations under the Data Protection Legislation and not do anything to cause the other Party to be in breach of their obligations thereunder.

24.18 Where a Party has provided Personal Data to the other Party in accordance with Clause 24.16, the recipient of the Personal Data will provide all such relevant documents and information relating to its data protection policies and procedures as the other Party may reasonably require.

24.19 The Parties shall be responsible for their own compliance with Articles 13 and 14 of the UK GDPR in respect of the processing of Personal Data for the purposes of this Agreement.

24.20 The Parties shall only provide Personal Data to each other:

(a) to the extent necessary to perform the respective obligations under this Agreement;

(b) in compliance with the Data Protection Legislation (including by ensuring all required fair processing information has been given to affected Data Subjects)

(c) where the Personal Data is subject to UK GDPR and where the provision of Personal Data from one Party to another involves transfer of such data to outside the UK, if the prior written consent of the non-transferring Party has been obtained and the following conditions are fulfilled:

(i) the transfer is in accordance with Article 45 of the UK GDPR or DPA 2018 Section 73; or

(ii) the transferring Party has provided appropriate safeguards in relation to the transfer (whether in accordance with Article 46 of the UK GDPR or DPA 2018 Section 75) as determined by the non-transferring Party which could include the International Data Transfer Agreement or International Data Transfer Agreement Addendum to the European Commission's SCCs as published by the Information Commissioner's Office and as set out in the Annex to Schedule 11(*Processing Personal Data*), as well as any additional measures determined by the non-transferring Party;

(iii) the Data Subject has enforceable rights and effective legal remedies;

(iv) the transferring Party complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the non-transferring Party in meeting its obligations); and

(v) the transferring Party complies with any reasonable instructions notified to it in advance by the non-transferring Party with respect to the processing of the Personal Data; and

(d) where it has been recorded it in Schedule 11 (*Processing Personal Data*).

24.21 Where a Party receives a request by any Data Subject to exercise any of their rights under the Data Protection Legislation in relation to the Personal Data provided to it by the other Party pursuant to this Agreement (the **"Request Recipient**"):

(a) the other Party shall provide any information and/or assistance as reasonably requested by the Request Recipient to help it respond to the request or correspondence, at the cost of the Request Recipient; or

(b) where the request or correspondence is directed to the other party and/or relates to the other party's Processing of the Personal Data, the Request Recipient will:

(i) promptly, and in any event within five (5) Working Days of receipt of the request or correspondence, inform the other party that it has received the same and shall forward such request or correspondence to the other party; and

(ii) provide any information and/or assistance as reasonably requested by the other party to help it respond to the request or correspondence in the timeframes specified by Data Protection Legislation.

24.22 Each party shall promptly notify the other Party upon it becoming aware of any Personal Data Breach relating to Personal Data provided by the other party pursuant to this Agreement and shall:

(a) do all such things as reasonably necessary to assist the other Party in mitigating the effects of the Data Breach;

(b) implement any measures necessary to restore the security of any compromised Personal Data;

(c) work with the other Party to make any required notifications to the Information Commissioner's Office and affected Data Subjects in accordance with the Data Protection Legislation (including the timeframes set out therein); and

(d) not do anything which may damage the reputation of the other Party or that Party's relationship with the relevant Data Subjects, save as required by Law.

24.23 Personal Data provided by one Party to the other Party may be used exclusively to exercise rights and obligations under this Agreement as specified in Schedule 11 (*Processing Personal Data*).

24.24 Personal Data shall not be retained or processed for longer than is necessary to perform each Party's obligations under this Agreement which is specified in Schedule 11 (*Processing Personal Data*).

24.25 Notwithstanding the general application of Clauses 24.2 to 24.15 to Personal Data, where the Supplier is required to exercise its regulatory and/or legal obligations in respect of Personal Data, it shall act as an Independent Controller of Personal Data in accordance with Clause 24.16 to 24.24.

Standard Contractual Clauses

24.26 It is noted that on 28 June 2021 the European Commission made an implementing decision pursuant to Article 45 of the EU GDPR on the adequate protection of personal data by the United Kingdom which contains carve-outs for certain transfers outside of the EU to the UK of certain types of Personal Data (the "**UK Adequacy Decision**"). If any transfer of Personal Data which is subject to EU GDPR pursuant to this Contract is not covered by the UK Adequacy Decision or at any time during the term of the Contract the UK Adequacy Decision is:

24.26.1 withdrawn, invalidated, overruled or otherwise ceases to have effect, or

24.26.2 amended in such a way as to affect the transfers of Personal Data outside of the EU which are contemplated under this Contract,

Clauses 24.27 to 24.28 below shall apply.

24.27 The Parties agree:

24.27.1 that without any further action being required they have entered into the Standard Contractual Clauses in the European Commission's decision 2021/914/EU set out in the Annex to Schedule 11 (*Processing Personal Data*) in respect of data transfers by the Supplier outside of the EU to the UK;

24.27.2 that, where no other appropriate safeguard or exemption applies, that the Personal Data subject to this Contract (and to which Chapter V of the EU GDPR applies) will be transferred in accordance with those Standard Contractual Clauses as of the date the Parties entered into those Standard Contractual Clauses;

24.27.3 to use best endeavours to complete the annexes to the Standard Contractual Clauses promptly and at their own cost for the purpose of giving full effect to them; and

24.27.4 that if there is any conflict between this Contract and the Standard Contractual Clauses the terms of the Standard Contractual Clauses shall apply.

24.28 In the event that the European Commission updates, amends, substitutes, adopts or publishes new Standard Contractual Clauses from time to time, the Parties agree:

24.28.1 that the most up to date Standard Contractual Clauses from time to time shall be automatically incorporated in place of those in the Annex to Schedule 11 (*Processing Personal Data*) and that such incorporation is not a Change;

24.28.2 that where no other appropriate safeguard or exemption applies, that the Personal Data subject to this Contract (and to which Chapter V of the EU GDPR applies) will be transferred in accordance with the relevant form of the most up to date Standard Contractual Clauses as of the date the European Commission decision regarding such new Standard Contractual Clauses becomes effective;

24.28.3 to use best endeavours to complete any part of the most up to date Standard Contractual Clauses that a Party must complete promptly and at their own cost for the purpose of giving full effect to them; and

24.28.4 that if there is any conflict between this Contract and the most up to date Standard Contractual Clauses the terms of the most up to date Standard Contractual Clauses shall apply.

25 PUBLICITY AND BRANDING

25.1 The Supplier shall not:

(a) make any press announcements or publicise this Agreement or its contents in any way; or

(b) use the Authority's name or brand in any promotion or marketing or announcement of orders;

without the prior written consent of the Authority, which shall not be unreasonably withheld or delayed.

25.2 The Supplier shall not include or use the name "Teachers' Pension Scheme" or "TPS" or the logo or colours for TPS in any published material save as required for the proper provision of the Services or as required for inclusion in any of the Supplier's internal confidential publications or as otherwise agreed in writing by the Authority.

25.3 Each Party acknowledges to the other that nothing in this Agreement either expressly or by implication constitutes an endorsement of any products or services of the other Party (including the Services, the Supplier System and the Authority System) and each Party agrees not to conduct itself in such a way as to imply or express any such approval or endorsement.

SECTION G – LIABILITY, INDEMNITIES AND INSURANCE

26 LIMITATIONS ON LIABILITY

Unlimited liability

26.1 Neither Party limits its liability for:

(a) death or personal injury caused by its negligence, or that of its employees, agents or sub-contractors (as applicable);

(b) fraud or fraudulent misrepresentation by it or its employees;

(c) breach of any obligation as to title implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982; or

(d) any liability to the extent it cannot be limited or excluded by Law.

26.2 The Supplier's liability in respect of the indemnities in Clause 10.5 (*VAT*), Clause 14.7 (*Employment Indemnity*), Clause 14.8 (*Income Tax and National Insurance Contributions*), Clause 19 (*IPRs Indemnity*), Schedule 9.1 (*Staff Transfer*) and the Annexes to Schedule 9.1 (*Staff Transfer*) shall be unlimited.

26.3 The Authority's liability in respect of the indemnities in Clause 14.7 (*Employment Indemnity*), Schedule 9.1 (*Staff Transfer*) and the Annexes to Schedule 9.1 (*Staff Transfer*) shall be unlimited.

Financial and other limits

26.4 Subject to Clauses 26.1 and 26.2 (*Unlimited Liability*) and Clauses 26.7 (*Consequential losses*):

(a) the Supplier's aggregate liability in respect of loss of or damage to the Authority Premises or other property or assets of the Authority (including technical infrastructure, assets or equipment but excluding any loss or damage to the Authority's Data or any other data) that is caused by Defaults of the Supplier occurring in each and any Contract Year shall in no event exceed £10 million;

(b) the Supplier's aggregate liability in respect of:

(i) loss or damage to Authority Data;

(ii) breach of the Data Protection Legislation;

(iii) breach of any of the obligations under Clause 24; and

(iv) breach of the model clauses and/or equivalent mechanism set out Schedule 11 (*Processing Personal Data*),

that is caused by Default of the Supplier occurring in each and any Contract Year shall in no event exceed £50 million in each Contract Year;

(c) the Supplier's aggregate liability in respect of all:

(i) Service Credits; and

(ii) Compensation for Unacceptable Service Level Failure;

incurred in any rolling period of 12 months shall be subject to the Service Credit Cap;

(d) not used; and

(e) the Supplier's aggregate liability in respect of all other Losses incurred by the Authority under or in connection with this Agreement as a result of Defaults by the Supplier shall in no event exceed:

(i) in relation to Defaults occurring in the first Contract Year, an amount equal to 150% of the Estimated Year 1 Charges;

(ii) in relation to Defaults occurring during any subsequent Contract Year, an amount equal to 150% of the Charges paid and/or due to be paid to the Supplier under this Agreement in the Contract Year immediately preceding the occurrence of the Default; and

(iii) in relation to Defaults occurring after the end of the Term, an amount equal to 150% of the Charges paid and/or due to be paid to the Supplier in the 12 month period immediately prior to the last day of the Term,

provided that where any Losses referred to this Clause 26.4(e) have been incurred by the Authority as a result of the Supplier's abandonment of this Agreement or the Supplier's wilful default, wilful breach of a fundamental term of this Agreement or wilful repudiatory breach of this Agreement, the references in such Clause to 150% shall be deemed to be references to 200%.

26.5 Deductions from Charges shall not be taken into consideration when calculating the Supplier's liability under Clause 26.4(c).

26.6 Subject to Clauses 26.1 and 26.3 (*Unlimited Liability*) and Clause 26.7 (*Consequential Losses*) and without prejudice to the Authority's obligation to pay the Charges as and when they fall due for payment:

(a) the Authority's total aggregate liability in respect of all Losses incurred by the Supplier under or in connection with this Agreement as a result of early termination of this Agreement by the Authority pursuant to Clause 34.1(a) (*Termination by the Authority*) or by the Supplier pursuant to Clause 34.3(a) (*Termination by the Supplier*) shall in no event exceed the following amounts:

(i) in relation to the Unrecovered Payment, the amount set out in Paragraph 4 of Schedule 7.2 (*Payments on Termination*);

(ii) in relation to the Breakage Costs Payment, the amount set out in Paragraph 3.2 of Schedule 7.2 (*Payments on Termination*); and

(iii) in relation to the Compensation Payment, the amount set out in Paragraph 6 of Schedule 7.2 (*Payments on Termination*); and

(b) the Authority's aggregate liability in respect of all Losses incurred by the Supplier under or in connection with this Agreement as a result of Defaults of the Authority shall in no event exceed:

(i) in relation to Defaults occurring in the first Contract Year, an amount equal to the Estimated Year 1 Charges;

(ii) in relation to Defaults occurring during any subsequent Contract Year, an amount equal to the total Charges paid and/or due to be paid under this Agreement in the Contract Year immediately preceding the occurrence of the Default; and

(iii) in relation to Defaults occurring after the end of the Term, an amount equal to the total Charges paid and/or due to be paid to the Supplier in the 12 month period immediately prior to the last day of the Term.

Consequential Losses

26.7 Subject to Clauses 26.1, 26.2 and 26.3 (*Unlimited Liability*) and Clause 26.8, neither Party shall be liable to the other Party for:

(a) any indirect, special or consequential Loss; or

(b) any loss of profits, turnover, business opportunities or damage to goodwill (in each case whether direct or indirect).

26.8 Notwithstanding Clause 26.7 but subject to Clause 26.4, the Supplier acknowledges that the Authority may, amongst other things, recover from the Supplier the following Losses incurred by the Authority to the extent that they arise as a result of a Default by the Supplier:

(a) any additional operational and/or administrative costs and expenses incurred by the Authority, including costs relating to time spent by or on behalf of the Authority in dealing with the consequences of the Default;

(b) any wasted expenditure or charges;

(c) the additional cost of procuring Replacement Services for the remainder of the Term and/or replacement Deliverables, which shall include any incremental costs associated with such Replacement Services and/or replacement Deliverables above those which would have been payable under this Agreement;

(d) any compensation or interest paid to a third party by the Authority;

(e) any fine or penalty incurred by the Authority pursuant to Law and any costs incurred by the Authority in defending any proceedings which result in such fine or penalty; and

(f) any anticipated savings identified in Schedule 7.6 (*Anticipated Savings*);

(g) the costs reasonably incurred by the Authority in reconstituting or reloading lost or corrupted data in so far as caused by the Supplier's breach of this Agreement

(h) any loss, claims, demands, actions, costs, expenses or liabilities claimed from the Authority by, or paid to, a beneficiary of the Scheme in so far as caused by the Supplier's breach of this Agreement

Conduct of indemnity claims

26.9 Where under this Agreement one Party indemnifies the other Party, the Parties shall comply with the provisions of Schedule 8.7 (*Conduct of Claims*) in relation to the conduct of claims made by a third person against the Party having (or claiming to have) the benefit of the indemnity.

Mitigation

26.10 Each Party shall use all reasonable endeavours to mitigate any loss or damage suffered arising out of or in connection with this Agreement, including any Losses for which the relevant Party is entitled to bring a claim against the other Party pursuant to the indemnities in this Agreement.

27 INSURANCE

27.1 The Supplier shall comply with the provisions of Schedule 2.5 (*Insurance Requirements*) in relation to obtaining and maintaining insurance.

SECTION H – REMEDIES AND RELIEF

28 RECTIFICATION PLAN PROCESS

28.1 In the event that:

(a) there is, or is reasonably likely to be, a Delay;

(b) in any Service Period there has been a Performance Failure and/or a Service Failure;

(c) the Supplier commits a material Default that is capable of remedy (and for these purposes a material Default may be a single material Default or a number of Defaults or repeated Defaults (whether of the same or different obligations and regardless of whether such Defaults are remedied) which taken together constitute a material Default);

(d) there is a Rectification Plan Failure; and/or

(e) any circumstances apply which the provisions of this Agreement expressly state a Rectification Plan is to be provided for the purposes of this Clause 28,

(each a "**Notifiable Default**"), the Supplier shall notify the Authority of the Notifiable Default as soon as practicable but in any event within 3 Working Days of becoming aware of the Notifiable Default, detailing the actual or anticipated effect of the Notifiable Default and, unless the Notifiable Default also constitutes a Rectification Plan Failure or other Supplier Termination Event, the Authority may not terminate this Agreement in whole or in part on the grounds of the Notifiable Default without first following the Rectification Plan Process.

Notification

28.2 If:

(a) the Supplier notifies the Authority pursuant to Clause 28.1 that a Notifiable Default has occurred; or

(b) the Authority notifies the Supplier that it considers that a Notifiable Default has occurred (setting out sufficient detail so that it is reasonably clear what the Supplier has to rectify),

then, unless the Notifiable Default also constitutes a Supplier Termination Event and the Authority serves a Termination Notice, the Supplier shall comply with the Rectification Plan Process.

28.3 The "**Rectification Plan Process**" shall be as set out in Clauses 28.4 (*Submission of the draft Rectification Plan*) to 28.9 (*Agreement of the Rectification Plan*).

Submission of the draft Rectification Plan

28.4 The Supplier shall submit a draft Rectification Plan to the Authority for it to review as soon as possible and in any event within 10 Working Days (or such other period as may be agreed between the Parties) after the original notification pursuant to Clause 28.2 (*Notification*). The Supplier shall submit a draft Rectification Plan even if the Supplier disputes that it is responsible for the Notifiable Default.

28.5 The draft Rectification Plan shall set out:

(a) full details of the Notifiable Default that has occurred, including a root cause analysis;

(b) the actual or anticipated effect of the Notifiable Default; and

(c) the steps which the Supplier proposes to take to rectify the Notifiable Default (if applicable) and to prevent such Notifiable Default from recurring, including timescales for such steps and for the rectification of the Notifiable Default (where applicable).

28.6 The Supplier shall promptly provide to the Authority any further documentation that the Authority reasonably requires to assess the Supplier's root cause analysis. If the Parties do not agree on the root cause set out in the draft Rectification Plan, either Party may refer the matter to be determined by an expert in accordance with Paragraph 6 of Schedule 8.3 (*Dispute Resolution Procedure*).

Agreement of the Rectification Plan

28.7 The Authority may reject the draft Rectification Plan by notice to the Supplier if, acting reasonably, it considers that the draft Rectification Plan is inadequate, for example because the draft Rectification Plan:

(a) is insufficiently detailed to be capable of proper evaluation;

(b) will take too long to complete;

(c) will not prevent reoccurrence of the Notifiable Default; and/or

(d) will rectify the Notifiable Default but in a manner which is unacceptable to the Authority.

28.8 The Authority shall notify the Supplier whether it consents to the draft Rectification Plan as soon as reasonably practicable. If the Authority rejects the draft Rectification Plan, the Authority shall give reasons for its decision and the Supplier shall take the reasons into account in the preparation of a revised Rectification Plan. The Supplier shall submit the revised draft of the Rectification Plan to the Authority for review within 5 Working Days (or such other period as agreed between the Parties) of the Authority's notice rejecting the first draft.

28.9 If the Authority consents to the Rectification Plan:

(a) the Supplier shall immediately start work on the actions set out in the Rectification Plan; and

(b) the Authority may no longer terminate this Agreement in whole or in part on the grounds of the relevant Notifiable Default;

save in the event of a Rectification Plan Failure or other Supplier Termination Event.

29 DELAY PAYMENTS

29.1 If a Key Milestone has not been Achieved by its relevant Milestone Date, the provisions of Paragraph 1 of Part C of Schedule 7.1 (*Charges and Invoicing*) shall apply in relation to the payment of Delay Payments.

29.2 Delay Payments shall be the Authority's exclusive financial remedy for the Supplier's failure to Achieve a Key Milestone by its Milestone Date except where:

(a) the Authority is entitled to or does terminate this Agreement pursuant to Clause 34.1(b) (*Termination by the Authority*);

(b) the Delay exceeds the Delay Deduction Period; or

(c) the applicable Delay Payments are £0 (zero pounds sterling).

30 REMEDIAL ADVISER

30.1 If:

(a) any of the Intervention Trigger Events occur; or

(b) the Authority reasonably believes that any of the Intervention Trigger Events are likely to occur,

(each an "**Intervention Cause**"), the Authority may give notice to the Supplier (an "**Intervention Notice**") giving reasonable details of the Intervention Cause and requiring:

(i) a meeting between the Authority Representative and the Supplier Representative to discuss the Intervention Cause; and/or

(ii) the appointment as soon as practicable by the Supplier of a Remedial Adviser, as further described in this Clause 30.

For the avoidance of doubt, if the Intervention Cause is also a Supplier Termination Event, the Authority has no obligation to exercise its rights under this Clause 30.1 prior to or instead of exercising its right to terminate this Agreement.

30.2 If the Authority gives notice that it requires the appointment of a Remedial Adviser:

(a) the Remedial Adviser shall be:

(i) a person selected by the Supplier and approved by the Authority; or

(ii) if none of the persons selected by the Supplier have been approved by the Authority (or no person has been selected by the Supplier) within 10 Working Days following the date on which the Intervention Notice is given, a person identified by the Authority;

(b) the terms of engagement and start date agreed with the Remedial Adviser must be approved by the Authority; and

(c) any right of the Authority to terminate this Agreement pursuant to Clause 34.1(b) (*Termination by the Authority*) for the occurrence of that Intervention Cause shall be suspended for 60 Working Days from (and including) the date of the Intervention Notice (or such other period as may be agreed between the Parties)(the "**Intervention Period**").

30.3 The Remedial Adviser's overall objective shall be to mitigate the effects of, and (to the extent capable of being remedied) to remedy, the Intervention Cause and to avoid the occurrence of similar circumstances in the future. In furtherance of this objective (but without diminishing the Supplier's responsibilities under this Agreement), the Parties agree that the Remedial Adviser may undertake any one or more of the following actions:

(a) observe the conduct of and work alongside the Supplier Personnel to the extent that the Remedial Adviser considers reasonable and proportionate having regard to the Intervention Cause;

(b) gather any information the Remedial Adviser considers relevant in the furtherance of its objective;

(c) write reports and provide information to the Authority in connection with the steps being taken by the Supplier to remedy the Intervention Cause;

(d) make recommendations to the Authority and/or the Supplier as to how the Intervention Cause might be mitigated or avoided in the future; and/or

(e) take any other steps that the Authority and/or the Remedial Adviser reasonably considers necessary or expedient in order to mitigate or rectify the Intervention Cause.

30.4 The Supplier shall:

(a) work alongside, provide information to, co-operate in good faith with and adopt any reasonable methodology in providing the Services recommended by the Remedial Adviser;

(b) ensure that the Remedial Adviser has all the access it may require in order to carry out its objective, including access to the Assets;

(c) submit to such monitoring as the Authority and/or the Remedial Adviser considers reasonable and proportionate in respect of the Intervention Cause;

(d) implement any reasonable recommendations made by the Remedial Adviser that have been approved by the Authority within the timescales given by the Remedial Adviser; and

(e) not terminate the appointment of the Remedial Adviser prior to the end of the Intervention Period without the prior consent of the Authority (such consent not to be unreasonably withheld).

30.5 The Supplier shall be responsible for:

(a) the costs of appointing, and the fees charged by, the Remedial Adviser; and

(b) its own costs in connection with any action required by the Authority and/or the Remedial Adviser pursuant to this Clause 30.

30.6 If:

(a) the Supplier:

(i) fails to perform any of the steps required by the Authority in an Intervention Notice; and/or

(ii) is in Default of any of its obligations under Clause 30.4; and/or

(b) the relevant Intervention Trigger Event is not rectified by the end of the Intervention Period,

(each a "**Remedial Adviser Failure**"), the Authority shall be entitled to terminate this Agreement pursuant to Clause 34.1(b) (*Termination by the Authority*).

31 STEP-IN RIGHTS

31.1 On the occurrence of a Step-In Trigger Event, the Authority may serve notice on the Supplier (a "**Step-In Notice**") that it will be taking action under this Clause 31 (*Step-in Rights*), either itself or with the assistance of a third party (provided that the Supplier may require any third parties to comply with a confidentiality undertaking equivalent to Clause 22 (*Confidentiality*)). The Step-In Notice shall set out the following:

(a) the action the Authority wishes to take and in particular the Services that it wishes to control (the "**Required Action**");

(b) the Step-In Trigger Event that has occurred and whether the Authority believes that the Required Action is due to the Supplier's Default;

(c) the date on which it wishes to commence the Required Action;

(d) the time period which it believes will be necessary for the Required Action;

(e) whether the Authority will require access to the Supplier's premises and/or the Sites; and

(f) to the extent practicable, the impact that the Authority anticipates the Required Action will have on the Supplier's obligations to provide the Services during the period that the Required Action is being taken.

31.2 Following service of a Step-In Notice, the Authority shall:

(a) take the Required Action set out in the Step-In Notice and any consequential additional action as it reasonably believes is necessary to achieve the Required Action;

(b) keep records of the Required Action taken and provide information about the Required Action to the Supplier;

(c) co-operate wherever reasonable with the Supplier in order to enable the Supplier to continue to provide the Services in relation to which the Authority is not assuming control; and

(d) act reasonably in mitigating the cost that the Supplier will incur as a result of the exercise of the Authority's rights under this Clause 31.

31.3 For so long as and to the extent that the Required Action is continuing, then:

(a) the Supplier shall not be obliged to provide the Services to the extent that they are the subject of the Required Action;

(b) no Deductions shall be applicable in relation to Charges in respect of Services that are the subject of the Required Action and the provisions of Clause 31.4 shall apply to Deductions from Charges in respect of other Services; and

(c) the Authority shall pay to the Supplier the Charges after subtracting any applicable Deductions and the Authority's costs of taking the Required Action.

31.4 If the Supplier demonstrates to the reasonable satisfaction of the Authority that the Required Action has resulted in:

(a) the degradation of any Services not subject to the Required Action; or

(b) the non-Achievement of a Milestone,

beyond that which would have been the case had the Authority not taken the Required Action, then the Supplier shall be entitled to an agreed adjustment of the Charges.

31.5 Before ceasing to exercise its step in rights under this Clause 31 the Authority shall deliver a written notice to the Supplier (a "**Step-Out Notice**"), specifying:

(a) the Required Action it has actually taken; and

(b) the date on which the Authority plans to end the Required Action (the "**Step-Out Date**") subject to the Authority being satisfied with the Supplier's ability to resume the provision of the Services and the Supplier's plan developed in accordance with Clause 31.6.

31.6 The Supplier shall, following receipt of a Step-Out Notice and not less than 20 Working Days prior to the Step-Out Date, develop for the Authority's approval a draft plan (a "**Step-Out Plan**") relating to the resumption by the Supplier of the Services, including any action the Supplier proposes to take to ensure that the affected Services satisfy the requirements of this Agreement.

31.7 If the Authority does not approve the draft Step-Out Plan, the Authority shall inform the Supplier of its reasons for not approving it. The Supplier shall then revise the draft Step-Out Plan taking those reasons into account and shall re-submit the revised plan to the Authority for the Authority's approval. The Authority shall not withhold or delay its approval of the draft Step-Out Plan unnecessarily.

31.8 The Supplier shall bear its own costs in connection with any step-in by the Authority under this Clause 31, provided that the Authority shall reimburse the Supplier's reasonable additional expenses incurred directly as a result of any step-in action taken by the Authority under:

(a) limbs (c) or (d) of the definition of a Step-In Trigger Event; or

(b) limbs (e) and (f) of the definition of a Step-in Trigger Event (insofar as the primary cause of the Authority serving the Step-In Notice is identified as not being the result of the Supplier's Default).

32 AUTHORITY CAUSE

32.1 Notwithstanding any other provision of this Agreement, if the Supplier has failed to:

(a) Achieve a Milestone by its Milestone Date;

(b) provide the Operational Services in accordance with the Service Level Targets, KPI Targets and Target Performance Levels; and/or

(c) comply with its obligations under this Agreement,

(each a "**Supplier Non-Performance**"),

and can demonstrate that the Supplier Non-Performance would not have occurred but for an Authority Cause, then (subject to the Supplier fulfilling its obligations in this Clause 32):

(i) the Supplier shall not be treated as being in breach of this Agreement to the extent the Supplier can demonstrate that the Supplier Non-Performance was caused by the Authority Cause;

(ii) the Authority shall not be entitled to exercise any rights that may arise as a result of that Supplier Non-Performance:

(A) to terminate this Agreement pursuant to Clause 34.1(b) (*Termination by the Authority*); or

(B) to take action pursuant to Clauses 30 (*Remedial Adviser*) or 31 (*Step-In*);

(iii) where the Supplier Non-Performance constitutes the failure to Achieve a Milestone by its Milestone Date:

(A) the Milestone Date shall be postponed by a period equal to the period of Delay that the Supplier can demonstrate was caused by the Authority Cause;

(B) if the Authority, acting reasonably, considers it appropriate, the Implementation Plan shall be amended to reflect any consequential revisions required to subsequent Milestone Dates resulting from the Authority Cause;

(C) if the Milestone is a Key Milestone, the Supplier shall have no liability to pay any Delay Payments associated with the Key Milestone to the extent that the Supplier can demonstrate that such failure was caused by the Authority Cause; and

(D) the Supplier shall be entitled to claim compensation subject to and in accordance with the principles set out in Paragraph 2 of Part C of Schedule 7.1 (*Charges and Invoicing*); and/or

(iv) where the Supplier Non-Performance constitutes a Performance Failure:

(A) the Supplier shall not be liable to accrue Service Credits;

(B) the Authority shall not be entitled to withhold any of the Service Charges pursuant to Clause 7.2(c) (*Performance Failures*);

(C) the Authority shall not be entitled to withhold and retain any Compensation for Unacceptable Service

Level Failure pursuant to Clause 7.4(a) (*Unacceptable Service Level Failure*); and

(D) the Supplier shall be entitled to invoice for the Service Charges (including, where the Performance Failure is an Outcome Failure, the applicable Outcome Charges) for the relevant Operational Services affected by the Authority Cause,

in each case, to the extent that the Supplier can demonstrate that the Performance Failure was caused by the Authority Cause.

32.2 In order to claim any of the rights and/or relief referred to in Clause 32.1, the Supplier shall as soon as reasonably practicable (and in any event within 10 Working Days) after becoming aware that an Authority Cause has caused, or is reasonably likely to cause, a Supplier Non-Performance, give the Authority notice (a "**Relief Notice**") setting out details of:

(a) the Supplier Non-Performance;

(b) the Authority Cause and its effect, or likely effect, on the Supplier's ability to meet its obligations under this Agreement;

(c) any steps which the Authority can take to eliminate or mitigate the consequences and impact of such Authority Cause; and

(d) the relief and/or compensation claimed by the Supplier.

32.3 Following the receipt of a Relief Notice, the Authority shall as soon as reasonably practicable consider the nature of the Supplier Non-Performance and the alleged Authority Cause and whether it agrees with the Supplier's assessment set out in the Relief Notice as to the effect of the relevant Authority Cause and its entitlement to relief and/or compensation, consulting with the Supplier where necessary.

32.4 The Supplier shall use all reasonable endeavours to eliminate or mitigate the consequences and impact of an Authority Cause, including any Losses that the Supplier may incur and the duration and consequences of any Delay or anticipated Delay.

32.5 Without prejudice to Clause 5.9 (*Continuing obligation to provide the Services*), if a Dispute arises as to:

(a) whether a Supplier Non-Performance would not have occurred but for an Authority Cause; and/or

(b) the nature and/or extent of the relief and/or compensation claimed by the Supplier,

either Party may refer the Dispute to the Dispute Resolution Procedure. Pending the resolution of the Dispute, both Parties shall continue to resolve the causes of, and mitigate the effects of, the Supplier Non-Performance.

32.6 Any Change that is required to the Implementation Plan or to the Charges pursuant to this Clause 32 shall be implemented in accordance with the Change Control Procedure.

33 FORCE MAJEURE

33.1 Subject to the remaining provisions of this Clause 33 (and, in relation to the Supplier, subject to its compliance with its obligations in Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*)), a Party may claim relief under this Clause 33 from liability for failure to meet its obligations under this Agreement for as long as and only to the extent that the performance of those obligations is directly affected by a Force Majeure Event. Any failure or delay by the Supplier in performing its obligations under this Agreement which results from a failure or delay by an agent, Sub-contractor or supplier shall be regarded as due to a Force Majeure Event only if that agent, Sub-contractor or supplier is itself impeded by a Force Majeure Event from complying with an obligation to the Supplier.

33.2 The Affected Party shall as soon as reasonably practicable issue a Force Majeure Notice, which shall include details of the Force Majeure Event, its effect on the obligations of the Affected Party and any action the Affected Party proposes to take to mitigate its effect.

33.3 If the Supplier is the Affected Party, it shall not be entitled to claim relief under this Clause 33 to the extent that consequences of the relevant Force Majeure Event:

(a) are capable of being mitigated, but the Supplier has failed to do so;

(b) should have been foreseen and prevented or avoided by a prudent provider of services similar to the Services, operating to the standards required by this Agreement; or

(c) are the result of the Supplier's failure to comply with its Service Continuity Plan (except to the extent that such failure is also due to a Force Majeure Event that affects the execution of the Service Continuity Plan).

33.4 Subject to Clause 33.5, as soon as practicable after the Affected Party issues the Force Majeure Notice, and at regular intervals thereafter, the Parties shall consult in good faith and use reasonable endeavours to agree any steps to be taken and an appropriate timetable in which those steps should be taken, to enable continued provision of the Services affected by the Force Majeure Event.

33.5 The Parties shall at all times following the occurrence of a Force Majeure Event and during its subsistence use their respective reasonable endeavours to prevent and mitigate the effects of the Force Majeure Event. Where the Supplier is the Affected Party, it shall take all steps in accordance with Good Industry Practice to overcome or minimise the consequences of the Force Majeure Event.

33.6 Where, as a result of a Force Majeure Event:

(a) an Affected Party fails to perform its obligations in accordance with this Agreement, then during the continuance of the Force Majeure Event:

(i) the other Party shall not be entitled to exercise any rights to terminate this Agreement in whole or in part as a result of such failure other than pursuant to Clause 34.1(c) (*Termination by the Authority*) or Clause 34.3(b) (*Termination by the Supplier*); and

(ii) neither Party shall be liable for any Default arising as a result of such failure;

(b) the Supplier fails to perform its obligations in accordance with this Agreement:

(i) the Authority shall not be entitled:

(A) during the continuance of the Force Majeure Event to exercise its rights under Clause 30 (*Remedial Adviser*) and/or Clause 31 (*Step-in Rights*) as a result of such failure;

(B) to receive Delay Payments pursuant to Clause 29 (*Delay Payments*) to the extent that the Achievement of any Milestone is affected by the Force Majeure Event; and

(C) to receive Service Credits, to withhold any of the Service Charges pursuant to Clause 7.2(c) (*Performance Failures*) or withhold and retain any of the Service Charges as compensation pursuant to Clause 7.4(a) (*Unacceptable Service Level Failure*) to the extent that a Performance Failure has been caused by the Force Majeure Event; and

(ii) the Supplier shall be entitled to receive payment of the Charges (or a proportional payment of them) only to the extent that the Services (or part of the Services) continue to be performed in accordance with the terms of this Agreement during the occurrence of the Force Majeure Event.

33.7 The Affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under this Agreement.

33.8 Relief from liability for the Affected Party under this Clause 33 shall end as soon as the Force Majeure Event no longer causes the Affected Party to be unable to comply with its obligations under this Agreement and shall not be dependent on the serving of notice under Clause 33.7.

SECTION I – TERMINATION AND EXIT MANAGEMENT

34 TERMINATION RIGHTS

Termination by the Authority

34.1 The Authority may terminate this Agreement by issuing a Termination Notice to the Supplier:

(a) for convenience at any time;

(b) if a Supplier Termination Event occurs;

(c) if a Force Majeure Event endures for a continuous period of more than ninety (90) days; or

(d) if the Agreement has been substantially amended to the extent that the Public Contracts Regulations 2015 require a new procurement procedure,

and this Agreement shall terminate on the date specified in the Termination Notice.

34.2 Where the Authority:

(a) is terminating this Agreement under Clause 34.1(b) due to the occurrence of either limb (b) and/or (g) of the definition of Supplier Termination Event, it may rely on a single material Default or on a number of Defaults or repeated Defaults (whether of the same or different obligations and regardless of whether such Defaults are cured) which taken together constitute a material Default; and/or

(b) has the right to terminate this Agreement under Clause 34.1(b) or Clause 34.1(c), it may, prior to or instead of terminating the whole of this Agreement, serve a Termination Notice requiring the partial termination of this Agreement to the extent that it relates to any part of the Services which are materially affected by the relevant circumstances.

Termination by the Supplier

34.3 The Supplier may, by issuing a Termination Notice to the Authority, terminate:

(a) this Agreement if the Authority fails to pay an undisputed sum due to the Supplier under this Agreement which in aggregate exceeds:

(i) during the first Contract Year, REDACTED (exclusive of VAT); or

(ii) during the second or any subsequent Contract Year, the amount equal to one twelfth (1/12) of the Charges payable by the Authority in respect of the preceding twelve (12) Service Periods (exclusive of VAT),

and in each case such amount remains outstanding 40 Working Days after the receipt by the Authority of a notice of non-payment from the Supplier; or

(b) any Services that are materially impacted by a Force Majeure Event that endures for a continuous period of more than ninety (90) days,

and this Agreement or the relevant Services (as the case may be) shall then terminate on the date specified in the Termination Notice (which shall not be less than 20 Working Days from the date of the issue of the Termination Notice). If the operation of Clause 34.3(b) would result in a Partial Termination, the provisions of Clause 34.4 (*Partial Termination*) shall apply.

Partial Termination

34.4 If the Supplier notifies the Authority pursuant to Clause 34.3(b) (*Termination by the Supplier*) that it intends to terminate this Agreement in part and the Authority, acting reasonably, believes that the effect of such Partial Termination is to render the remaining Services incapable of meeting a significant part of the Authority Requirements, then the Authority shall be entitled to terminate the remaining part of this Agreement by serving a Termination Notice to the Supplier within 1 month of receiving the Supplier's Termination Notice. For the purpose of this Clause 34.4, in assessing the significance of any part of the Authority Requirements, regard shall be had not only to the proportion of that part to the Authority Requirements as a whole, but also to the importance of the relevant part to the Authority.

34.5 The Parties shall agree the effect of any Change necessitated by a Partial Termination in accordance with the Change Control Procedure, including the effect the Partial Termination may have on any other Services and the Charges, provided that:

(a) the Supplier shall not be entitled to an increase in the Charges in respect of the Services that have not been terminated if the Partial Termination arises due to the occurrence of a Supplier Termination Event;

(b) any adjustment to the Charges (if any) shall be calculated in accordance with the Financial Model and must be reasonable; and

(c) the Supplier shall not be entitled to reject the Change.

35 CONSEQUENCES OF EXPIRY OR TERMINATION

General Provisions on Expiry or Termination

35.1 The provisions of Clauses 5.8 (*Specially Written Software warranty*), 10.4 and 10.5 (*VAT*), 10.6 and 10.7 (*Set-off and Withholding*), 12 (*Records, Reports, Audits and Open Book Data*), 14.7 (*Employment Indemnity*), 14.8 (*Income Tax and National Insurance Contributions*), 16 (*Intellectual Property Rights*), 17 (*Licences Granted by the Supplier*), 19.1 (*IPRs Indemnity*), 22 (*Confidentiality*), 23 (*Transparency and Freedom of Information*), 24 (*Protection of Personal Data*), 26 (*Limitations on Liability*), 35 (*Consequences*

of Expiry or Termination), 41 (*Severance*), 43 (*Entire Agreement*), 44 (*Third Party Rights*), 46 (*Disputes*) and 47 (*Governing Law and Jurisdiction*), and the provisions of Schedules 1 (*Definitions*), 7.1 (*Charges and Invoicing*), 7.2 (*Payments on Termination*), 7.5 (*Financial Reports and Audit Rights*), 8.3 (*Dispute Resolution Procedure*), 8.4 (*Reports and Records Provisions*), 8.5 (*Exit Management*), and 9.1 (*Staff Transfer*), shall survive the termination or expiry of this Agreement.

Exit Management

35.2 The Parties shall comply with the provisions of Schedule 8.5 (*Exit Management*) and any current Exit Transition Plan in relation to orderly transition of the Services to the Authority or a Replacement Supplier.

Payments by the Authority

35.3 If this Agreement is terminated by the Authority pursuant to Clause 34.1(a) (*Termination by the Authority*) or by the Supplier pursuant to Clause 34.3(a) (*Termination by the Supplier*), the Authority shall pay the Supplier the following payments (which shall be the Supplier's sole remedy for the termination of this Agreement):

(a) the Termination Payment; and

(b) the Compensation Payment, if either of the following periods is less than three hundred and sixty-five (365) days:

(i) the period from (but excluding) the date that the Termination Notice is given (or, where Paragraph 2.1(a) of Part D of Schedule 7.1 (*Charges and Invoicing*) applies, deemed given) by the Authority pursuant to Clause 34.1(a) (*Termination by the Authority*)) to (and including) the Termination Date; or

(ii) the period from (and including) the date of the non-payment by the Authority referred to in Clause 34.3(a) (*Termination by the Supplier*) to (and including) the Termination Date.

35.4 If this Agreement is terminated (in part or in whole) by the Authority pursuant to Clauses 34.1(b), 34.1(c) and/or 34.2 (*Termination by the Authority*), or the Term expires, the only payments that the Authority shall be required to make as a result of such termination (whether by way of compensation or otherwise) are:

(a) payments in respect of any Assets or apportionments in accordance with Schedule 8.5 (*Exit Management*); and

(b) payments in respect of unpaid Charges for Services received up until the Termination Date.

35.5 The costs of termination incurred by the Parties shall lie where they fall if:

(a) either Party terminates or partially terminates this Agreement for a continuing Force Majeure Event pursuant to Clauses 34.1(c) or

34.2(b) (*Termination by the Authority*) or 34.3(b) (*Termination by the Supplier*); or

(b) the Authority terminates this Agreement under Clause 34.1(d) (*Termination by the Authority*).

Payments by the Supplier

35.6 In the event of termination or expiry of this Agreement:

35.6.1 the Supplier shall repay to the Authority all Charges it has been paid in advance in respect of Services not provided by the Supplier as at the date of expiry or termination; and

35.6.2 the Supply shall pay to the Authority an amount equal to those costs to the Teachers' Pension Scheme which have been identified in accordance with paragraph 11.4 of Schedule 2.1 (Statement of Service Requirements) as being the responsibility of the Supplier (including the full amount of any debts which the Supplier is recovering by instalment from any Beneficiary, Member, Teacher or other person) due to the Authority and/or the Treasury provided that the Authority shall repay to the Supplier such sums to the extent that the Authority is subsequently able to recover them from the relevant debtor or to avoid paying them to the relevant debtor.

35.7 If this Agreement is terminated (in whole or in part) by the Authority pursuant to Clause 34.1(b) (*Termination by the Authority*) prior to Achievement of one or more CPP Milestones, the Authority may at any time on or within 12 months of the issue of the relevant Termination Notice by issue to the Supplier of written notice (a "**Milestone Adjustment Payment Notice**") require the Supplier to repay to the Authority an amount equal to the aggregate Milestone Adjustment Payment Amounts in respect of each CPP Milestone to which the Milestone Adjustment Payment Notice relates.

35.8 A Milestone Adjustment Payment Notice shall specify:

(a) each CPP Milestone to which it relates;

(b) in relation to each such CPP Milestone, each Deliverable relating to that CPP Milestone that the Authority wishes to retain, if any (each such Deliverable being a "**Retained Deliverable**"); and

(c) those Retained Deliverables, if any, the Allowable Price for which the Authority considers should be subject to deduction of an adjusting payment on the grounds that they do not or will not perform in all material respects in accordance with their specification (such adjusting payment being an "**Allowable Price Adjustment**"),

and may form part of a Termination Notice.

35.9 The Supplier shall within 10 Working Days of receipt of a Milestone Adjustment Payment Notice, in each case as applicable:

(a) notify the Authority whether it agrees that the Retained Deliverables which the Authority considers should be subject to an Allowable Price Adjustment as specified in the relevant Milestone Adjustment Payment Notice should be so subject; and

(b) in relation to each such Retained Deliverable that the Supplier agrees should be subject to an Allowable Price Adjustment, notify the Authority of the Supplier's proposed amount of the Allowable Price Adjustment and the basis for its approval;

(c) provide the Authority with its calculation of the Milestone Adjustment Payment Amount in respect of each CPP Milestone the subject of the relevant Milestone Adjustment Payment Notice using its proposed Allowable Price Adjustment, including details of:

(i) all relevant Milestone Payments; and

(ii) the Allowable Price of each Retained Deliverable; and

(d) provide the Authority with such supporting information as the Authority may require.

35.10 If the Parties do not agree the calculation of a Milestone Adjustment Payment Amount within 20 Working Days of the Supplier's receipt of the relevant Milestone Adjustment Payment Notice, either Party may refer the Dispute to the Dispute Resolution Procedure.

35.11 If the Authority issues a Milestone Adjustment Payment Notice pursuant to Clause 35.7:

(a) the Authority shall:

(i) securely destroy or return to the Supplier all Non-retained Deliverables that are in tangible form; and

(ii) ensure that all Non-retained Deliverables that are held in electronic, digital or other machine-readable form cease to be readily accessible (other than by the information technology staff of the Authority) from any computer, word processor, voicemail system or any other device containing such all Non-retained Deliverables,

in each case as soon as reasonably practicable after repayment of the aggregate Milestone Adjustment Payment Amounts repayable pursuant to that Milestone Adjustment Payment Notice; and

(b) all licences granted pursuant to Clause 17 (*Licences granted by the Supplier*) in respect of Specially Written Software and Project Specific IPRs and any Supplier Non-COTS Software and/or Supplier Background IPRs shall terminate upon such repayment to the extent that they relate to the Non-retained Deliverables.

SECTION J – MISCELLANEOUS AND GOVERNING LAW

36 COMPLIANCE

Health and Safety

36.1 The Supplier shall perform its obligations under this Agreement (including those in relation to the Services) in accordance with:

(a) all applicable Law regarding health and safety; and

(b) the Health and Safety Policy whilst at the Authority Premises.

36.2 Each Party shall notify the other as soon as practicable of any health and safety incidents or material health and safety hazards at the Authority Premises of which it becomes aware and which relate to or arise in connection with the performance of this Agreement. The Supplier shall instruct the Supplier Personnel to adopt any necessary associated safety measures in order to manage any such material health and safety hazards.

Equality and Diversity

36.3 The Supplier shall:

(a) perform its obligations under this Agreement (including those in relation to the Services) in accordance with:

(i) all applicable equality Law (whether in relation to race, sex, gender reassignment, age, disability, sexual orientation, religion or belief, pregnancy, maternity or otherwise);

(ii) the Authority's equality and diversity policy as provided to the Supplier from time to time; and

(iii) any other requirements and instructions which the Authority reasonably imposes in connection with any equality obligations imposed on the Authority at any time under applicable equality Law; and

(b) take all necessary steps, and inform the Authority of the steps taken, to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission or (any successor organisation).

Official Secrets Act and Finance Act

36.4 The Supplier shall comply with the provisions of:

(a) the Official Secrets Acts 1911 to 1989; and

(b) section 182 of the Finance Act 1989.

37 ASSIGNMENT AND NOVATION

37.1 The Supplier shall not assign, novate or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Agreement without the prior written consent of the Authority.

37.2 The Authority may at its discretion assign, novate or otherwise dispose of any or all of its rights, obligations and liabilities under this Agreement and/or any associated licences to:

(a) any Central Government Body; or

(b) to a body other than a Central Government Body (including any private sector body) which performs any of the functions that previously had been performed by the Authority,

and the Supplier shall, at the Authority's request, enter into a novation agreement in such form as the Authority shall reasonably specify in order to enable the Authority to exercise its rights pursuant to this Clause 37.2.

37.3 A change in the legal status of the Authority such that it ceases to be a Central Government Body shall not (subject to Clause 37.4) affect the validity of this Agreement and this Agreement shall be binding on any successor body to the Authority.

37.4 If the Authority assigns, novates or otherwise disposes of any of its rights, obligations or liabilities under this Agreement to a body which is not a Central Government Body or if a body which is not a Central Government Body succeeds the Authority (any such body a "**Successor Body**"), the Supplier shall have the right to terminate for an Insolvency Event affecting the Successor Body identical to the right of termination of the Authority under limb (k) of the definition of Supplier Termination Event (as if references in that limb (k) to the Supplier were references to the Successor Body).

38 WAIVER AND CUMULATIVE REMEDIES

38.1 The rights and remedies under this Agreement may be waived only by notice and in a manner that expressly states that a waiver is intended. A failure or delay by a Party in ascertaining or exercising a right or remedy provided under this Agreement or by law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

38.2 Unless otherwise provided in this Agreement, rights and remedies under this Agreement are cumulative and do not exclude any rights or remedies provided by law, in equity or otherwise.

39 RELATIONSHIP OF THE PARTIES

39.1 Except as expressly provided otherwise in this Agreement, nothing in this Agreement, nor any actions taken by the Parties pursuant to this Agreement, shall create a partnership, joint venture or relationship of employer and employee or principal and agent between the Parties, or authorise either Party

to make representations or enter into any commitments for or on behalf of any other Party.

40 PREVENTION OF FRAUD AND BRIBERY

40.1 The Supplier represents and warrants that neither it, nor to the best of its knowledge any Supplier Personnel, have at any time prior to the Effective Date:

(a) committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or

(b) been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.

40.2 The Supplier shall not during the term of this Agreement:

(a) commit a Prohibited Act; and/or

(b) do or suffer anything to be done which would cause the Authority or any of the Authority's employees, consultants, contractors, sub-contractors or agents to contravene any of the Relevant Requirements or otherwise incur any liability in relation to the Relevant Requirements.

40.3 The Supplier shall during the term of this Agreement:

(a) establish, maintain and enforce, and require that its Sub-contractors establish, maintain and enforce, policies and procedures which are adequate to ensure compliance with the Relevant Requirements and prevent the occurrence of a Prohibited Act;

(b) have in place reasonable prevention measures (as defined in sections 45(3) and 46(4) of the Criminal Finance Act 2017) to ensure that Associated Persons of the Supplier do not commit tax evasion facilitation offences as defined under that Act;

(c) keep appropriate records of its compliance with its obligations under Clause 40.3(a) and make such records available to the Authority on request; and

(d) take account of any guidance about preventing facilitation of tax evasion offences which may be published and updated in accordance with Section 47 of the Criminal Finances Act 2017.

40.4 The Supplier shall immediately notify the Authority in writing if it becomes aware of any breach of Clause 40.1 and/or 40.2, or has reason to believe that it has or any of the Supplier Personnel have:

(a) been subject to an investigation or prosecution which relates to an alleged Prohibited Act;

(b) been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act; and/or

(c) received a request or demand for any undue financial or other advantage of any kind in connection with the performance of this Agreement or otherwise suspects that any person or Party directly or indirectly connected with this Agreement has committed or attempted to commit a Prohibited Act.

40.5 If the Supplier makes a notification to the Authority pursuant to Clause 40.4, the Supplier shall respond promptly to the Authority's enquiries, co-operate with any investigation, and allow the Authority to Audit any books, Records and/or any other relevant documentation in accordance with Clause 12 (*Records, Reports, Audits and Open Book Data*).

40.6 If the Supplier is in Default under Clauses 40.1 and/or 40.2, the Authority may by notice:

(a) require the Supplier to remove from performance of this Agreement any Supplier Personnel whose acts or omissions have caused the Default; or

(b) immediately terminate this Agreement.

40.7 Any notice served by the Authority under Clause 40.6 shall specify the nature of the Prohibited Act, the identity of the Party who the Authority believes has committed the Prohibited Act and the action that the Authority has elected to take (including, where relevant, the date on which this Agreement shall terminate).

41 SEVERANCE

41.1 If any provision of this Agreement (or part of any provision) is held to be void or otherwise unenforceable by any court of competent jurisdiction, such provision (or part) shall to the extent necessary to ensure that the remaining provisions of this Agreement are not void or unenforceable be deemed to be deleted and the validity and/or enforceability of the remaining provisions of this Agreement shall not be affected.

41.2 In the event that any deemed deletion under Clause 41.1 is so fundamental as to prevent the accomplishment of the purpose of this Agreement or materially alters the balance of risks and rewards in this Agreement, either Party may give notice to the other Party requiring the Parties to commence good faith negotiations to amend this Agreement so that, as amended, it is valid and enforceable, preserves the balance of risks and rewards in this Agreement and, to the extent that is reasonably possible, achieves the Parties' original commercial intention.

41.3 If the Parties are unable to agree on the revisions to this Agreement within 5 Working Days of the date of the notice given pursuant to Clause 41.2, the matter shall be dealt with in accordance with Paragraph 4 (*Commercial*

Negotiation) of Schedule 8.3 (*Dispute Resolution Procedure*) except that if the representatives are unable to resolve the dispute within 30 Working Days of the matter being referred to them, this Agreement shall automatically terminate with immediate effect. The costs of termination incurred by the Parties shall lie where they fall if this Agreement is terminated pursuant to this Clause 41.3.

42 FURTHER ASSURANCES

42.1 Each Party undertakes at the request of the other, and at the cost of the requesting Party to do all acts and execute all documents which may be reasonably necessary to give effect to the meaning of this Agreement.

43 ENTIRE AGREEMENT

43.1 This Agreement constitutes the entire agreement between the Parties in respect of its subject matter and supersedes and extinguishes all prior negotiations, arrangements, understanding, course of dealings or agreements made between the Parties in relation to its subject matter, whether written or oral.

43.2 Neither Party has been given, nor entered into this Agreement in reliance on, any warranty, statement, promise or representation other than those expressly set out in this Agreement.

43.3 Nothing in this Clause 43 shall exclude any liability in respect of misrepresentations made fraudulently.

44 THIRD PARTY RIGHTS

44.1 The provisions of Clause 19.1 (*IPRs Indemnity*), , Paragraphs 2.1, 2.6, 3.1 and 3.3 of Part B, Part D and Paragraphs 1.4, 2.3 and 2.8 of Part E of Schedule 9.1 (*Staff Transfer*) and the provisions of Paragraph 8.9 of Schedule 8.5 (*Exit Management*) (together "**Third Party Provisions**") confer benefits on persons named or identified in such provisions other than the Parties (each such person a "**Third Party Beneficiary**") and are intended to be enforceable by Third Parties Beneficiaries by virtue of the CRTPA.

44.2 Subject to Clause 44.1, a person who is not a Party to this Agreement has no right under the CRTPA to enforce any term of this Agreement but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

44.3 No Third Party Beneficiary may enforce, or take any step to enforce, any Third Party Provision without the prior written consent of the Authority, which may, if given, be given on and subject to such terms as the Authority may determine.

44.4 Any amendments or modifications to this Agreement may be made, and any rights created under Clause 44.1 may be altered or extinguished, by the Parties without the consent of any Third Party Beneficiary.

45 NOTICES

45.1 Any notices sent under this Agreement must be in writing.

45.2 Subject to Clause 45.4, the following table sets out the method by which notices may be served under this Agreement and the respective deemed time and proof of service:

Manner of Delivery	**Deemed time of service**	**Proof of service**
Email	9.00am on the first Working Day after sending	Dispatched as a pdf attachment to an e-mail to the correct e-mail address without any error message.
Personal delivery	On delivery, provided delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the next Working Day.	Properly addressed and delivered as evidenced by signature of a delivery receipt
Prepaid, Royal Mail Signed For™ 1st Class or other prepaid, next Working Day service providing proof of delivery.	At the time recorded by the delivery service, provided that delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the same Working Day (if delivery before 9.00am) or on the next Working Day (if after 5.00pm).	Properly addressed prepaid and delivered as evidenced by signature of a delivery receipt

45.3 Notices shall be sent to the addresses set out below or at such other address as the relevant Party may give notice to the other Party for the purpose of service of notices under this Agreement:

	Supplier	**Authority**
Contact		
Address		
Email		

45.4 The following notices may only be served as an attachment to an email if the original notice is then sent to the recipient by personal delivery or recorded delivery in the manner set out in the table in Clause 45.2:

(a) Step-In Notices;

(b) Force Majeure Notices;

(c) notices issued by the Supplier pursuant to Clause 34.3 (*Termination by the Supplier*);

(d) Termination Notices; and

(e) Dispute Notices.

45.5 Failure to send any original notice by personal delivery or recorded delivery in accordance with Clause 45.4 shall invalidate the service of the related e-mail transmission. The deemed time of delivery of such notice shall be the deemed time of delivery of the original notice sent by personal delivery or Royal Mail Signed For™ 1st Class delivery (as set out in the table in Clause 45.2) or, if earlier, the time of response or acknowledgement by the other Party to the email attaching the notice.

45.6 This Clause 45 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution (other than the service of a Dispute Notice under Schedule 8.3 (*Dispute Resolution Procedure*)).

46 DISPUTES

46.1 The Parties shall resolve Disputes arising out of or in connection with this Agreement in accordance with the Dispute Resolution Procedure.

46.2 The Supplier shall continue to provide the Services in accordance with the terms of this Agreement until a Dispute has been resolved.

47 GOVERNING LAW AND JURISDICTION

47.1 This Agreement and any issues, disputes or claims (whether contractual or non-contractual) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales.

47.2 Subject to Clause 46 (*Disputes*) and Schedule 8.3 (*Dispute Resolution Procedure*) (including the Authority's right to refer the dispute to arbitration), the Parties agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) that arises out of or in connection with this Agreement or its subject matter or formation.

This Agreement has been duly executed by the Parties on the date which appears at the head of its page 1.

SIGNED for and on behalf of Tata Consultancy Services by REDACTED:	)	**REDACTED**
SIGNED for and on behalf of The Secretary of State for Education (acting through the Department of Education)	)	REDACTED

SCHEDULES

SCHEDULE 1

DEFINITIONS

Unless otherwise provided or the context otherwise requires the following expressions shall have the meanings set out below.

"Accounting Reference Date"	means in each year the date to which the Supplier prepares its annual audited financial statements;
"Achieve"	(a) in respect of a Test, to successfully pass a Test without any Test Issues; and (b) in respect of a Milestone, the issue of a Milestone Achievement Certificate in respect of that Milestone in accordance with the provisions of Schedule 6.2 (*Testing Procedures*), and "**Achieved**" and "**Achievement**" shall be construed accordingly;
"Acquired Rights Directive"	the European Council Directive 77/187/EEC on the approximation of laws of European member states relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses, as amended or re-enacted from time to time;
"Active Members"	Teachers who are in work;
"Additional Services"	such additional services related to the TPS as the Authority may request on an ad hoc basis from time to time in accordance with Clause 5.18 (Additional Services);
"Affected Party"	the Party seeking to claim relief in respect of a Force Majeure Event;
"Affiliate"	in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control with, that body corporate from time to time;

"Agency"	has the meaning given in Paragraph 9.2 of Part B of Schedule 2.2 (Performance Levels);
"Allowable Assumptions"	the assumptions set out in Annex 5 of Schedule 7 (*Charges and Invoicing*);
"Allowable Price Adjustment"	has the meaning given in Clause 35.8(c) (*Payments by the Supplier*);
"Allowable Price"	in relation to the Retained Deliverables relating to a CPP Milestone, if any, an amount determined in accordance with the formula: A – B where: (a) A is an amount equal to the Costs incurred by the Supplier in providing or developing the relevant Retained Deliverables as reflected in the Financial Model together with an amount equal to the Anticipated Contract Life Profit Margin thereon; and (b) B is an amount equal to the Allowable Price Adjustment relating to the relevant Retained Deliverables, if any, or if there is no such Allowable Price Adjustment, zero, provided that the Allowable Price for any Retained Deliverables shall in no circumstances exceed the aggregate amount of the Milestone Payments paid to the Supplier in respect of the Milestones (or in the case of Partial Termination, the Milestones for the parts of the Services terminated) relating to that CPP Milestone;
"Annual Benefit Statement"	the annual summary of pension benefits that must be provided to all active Members of the Scheme in accordance with Section 14 of the Public Service Pensions Act 2013 and Regulation 221 of the Teachers' Pension Scheme Regulations 2014;
"Annual Contract Report"	has the meaning given in Schedule 7.5 (*Financial Reports and Audit Rights*);
"Annual Revenue"	means, for the purposes of determining whether an entity is a Public Sector Dependent

	Supplier, the audited consolidated aggregate revenue (including share of revenue of joint ventures and Associates) reported by the Supplier or, as appropriate, the Supplier Group in its most recent published accounts, subject to the following methodology: (a) figures for accounting periods of other than 12 months should be scaled pro rata to produce a proforma figure for a 12 month period; and (b) where the Supplier, the Supplier Group and/or their joint ventures and Associates report in a foreign currency, revenue should be converted to British Pound Sterling at the closing exchange rate on the Accounting Reference Date;
"Anticipated Contract Life Profit Margin"	has the meaning given in Schedule 7 (*Charges and Invoicing*);
"Approved Sub-Licensee"	any of the following: (a) a Central Government Body; (b) any third party providing services to a Central Government Body; and/or (c) any body (including any private sector body) which performs or carries on any of the functions and/or activities that previously had been performed and/or carried on by the Authority;
"Assets"	all assets and rights used by the Supplier to provide the Services in accordance with this Agreement but excluding the Authority Assets;
"Associated Person"	has the meaning given to it in Section 44(4) of the Criminal Finances Act 2017;
"Associates"	means, in relation to an entity, an undertaking in which the entity owns, directly or indirectly, between 20% and 50% of the voting rights and exercises a degree of control sufficient for the undertaking to be treated as an associate under generally accepted accounting principles;

"Assurance"	means written confirmation from a Relevant Authority to the Supplier that the CRP Information is approved by the Relevant Authority;
"ATP Milestone"	the Milestone linked to Authority to Proceed for the relevant Operational Services set out in the Implementation Plan;
"Audit Agents"	(a) the Authority's internal and external auditors; (b) the Authority's statutory or regulatory auditors; (c) the Comptroller and Auditor General, their staff and/or any appointed representatives of the National Audit Office; (d) HM Treasury or the Cabinet Office; (e) any party formally appointed by the Authority to carry out audit or similar review functions; and (f) successors or assigns of any of the above;
"Audit Rights"	the audit and access rights referred to in Schedule 7.5 (*Financial Reports and Audit Rights*);
"Audit"	any exercise by the Authority of its Audit Rights pursuant to Clause 12 (*Records, Reports, Audit and Open Book Data*) and Schedule 7.5 (*Financial Reports and Audit Rights*);
"Authority Assets"	the Authority Materials, the Authority infrastructure and any other data, software, assets, equipment or other property owned by and/or licensed or leased to the Authority and which is or may be used in connection with the provision or receipt of the Services;
"Authority Background IPRs"	(a) IPRs owned by the Authority before the Effective Date, including IPRs contained in any of the Authority's Know-How, documentation, processes and procedures; (b) IPRs created by the Authority independently of this Agreement; and/or

	(c) Crown Copyright which is not available to the Supplier otherwise than under this Agreement, including the name "Teachers' Pension Scheme", "TPS", and the logo and colours for "TPS", but excluding IPRs owned by the Authority subsisting in the Authority Software;
"Authority Cause"	any material breach by the Authority of any of the Authority Responsibilities, except to the extent that such breach is: (a) the result of any act or omission by the Authority to which the Supplier has given its prior consent; or (b) caused by the Supplier, any Sub-contractor or any Supplier Personnel;
"Authority Data"	(a) the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, and which are: (i) supplied to the Supplier by or on behalf of the Authority; and/or (ii) which the Supplier is required to generate, process, store or transmit pursuant to this Agreement; including any such data (including Personal Data) which relates to the Scheme or its Members (including Scheme Data and any calculations and formulas for the administration of payments and the Calculation Records); or (b) any Personal Data for which the Authority is the Data Controller;
"Authority IT Strategy"	the Authority's IT policy in force as at the Effective Date (a copy of which has been supplied to the Supplier), as updated from time to time in accordance with the Change Control Procedure;
"Authority Materials"	the Authority Data together with any materials, documentation, information, programs and

	codes supplied by the Authority to the Supplier, the IPRs in which: (a) are owned or used by or on behalf of the Authority; and (b) are or may be used in connection with the provision or receipt of the Services, but excluding any Project Specific IPRs, Specially Written Software, Supplier Software, Third Party Software and Documentation relating to Supplier Software or Third Party Software;
"Authority Premises"	premises owned, controlled or occupied by the Authority and/or any Central Government Body which are made available for use by the Supplier or its Sub-contractors for provision of the Services (or any of them);
"Authority Representative"	the representative appointed by the Authority pursuant to Clause 11.4 (*Representatives*);
"Authority Requirements"	the requirements of the Authority set out in Schedules Schedule 2.1 (*Services Description*), Schedule 2.2 (*Performance Indicators*), Schedule 2.3 (*Standards*), Schedule 2.4 (*Security Management*), Schedule 2.5 (*Insurance Requirements*), Schedule 6 (*Implementation Plan*), Schedule 8.4 (*Reports and Records Provisions*), Schedule 8.5 (*Exit Management*) and Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*);
"Authority Responsibilities"	the responsibilities of the Authority specified in Schedule 3 (*Authority Responsibilities*);
"Authority Software"	software which is owned by or licensed to the Authority (other than under or pursuant to this Agreement) and which is or will be used by the Supplier for the purposes of providing the Services;
"Authority System"	the Authority's computing environment (consisting of hardware, software and/or telecommunications networks or equipment) used by the Authority or the Supplier in connection with this Agreement which is

	owned by the Authority or licensed to it by a third party and which interfaces with the Supplier System or which is necessary for the Authority to receive the Services;
"Authority to Proceed" or "ATP"	the authorisation to the Supplier to commence the provision of the relevant Operational Services to the Authority, provided by the Authority in the form of a Milestone Achievement Certificate in respect of the ATP Milestone;
"Balanced Scorecard Report"	has the meaning given in Paragraph 1.1.2 of Part C of Schedule 2.2 (*Performance Levels*);
"Base Charges"	the sums due to the Supplier for delivering the Operational Services in each Outcome Year, as set out in Annex 1 to Schedule 7.1 (Charging and Invoicing);
"Baseline Security Requirements"	the Authority's baseline security requirements, the current copy of which is contained in Annex 1 of Schedule 2.4 (*Security Management*), as updated from time to time by the Authority and notified to the Supplier;
"Beneficiary"	means any person who receives or is eligible to receive pensions and other payments where entitlement exists under the Scheme as the result of the death of a Member;
"Board Confirmation"	means the written confirmation from the Board in accordance with Paragraph 8 of Schedule 7.4 (*Financial Distress*);
"Board"	means the Supplier's board of directors;
"Breakage Costs Payment"	has the meaning given in Schedule 7.2 (*Payments on Termination*);
"Cabinet Office Markets and Suppliers Team"	the UK Government's team responsible for managing the relationship between government and its Strategic Suppliers, or any replacement or successor body carrying out the same function;

"Calculation Records"	has the meaning given in requirement CA32A under Section 2.3 (Calculations and Payments) of Schedule 2.1 (*Services Description*);
"Case Equivalent Transfer" or "CETV"	the cash value placed on a Member's pension benefits, that is the amount that is available to transfer to an alternative plan in exchange for giving up the Member's rights under the Scheme;
"Central Government Body"	a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics: (a) Government Department; (b) Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal); (c) Non-Ministerial Department; or (d) Executive Agency;
"Certificate of Costs"	has the meaning given in Schedule 7 (*Charges and Invoicing*);
"Change Authorisation Note"	a form setting out an agreed Contract Change which shall be substantially in the form of Annex 2 of Schedule 8.2 (*Change Control Procedure*);
"Change Control Procedure"	the procedure for changing this Agreement set out in Schedule 8.2 (*Change Control Procedure*);
"Change in Law"	any change in Law which impacts on the performance of the Services which comes into force after the Effective Date;
"Change Request"	a written request for a Contract Change substantially in the form of Annex 1 of Schedule 8.2 (*Change Control Procedure*);
"Change"	any change to this Agreement;
"Charges"	the charges for the provision of the Services set out in or otherwise calculated in

	accordance with Schedule 7 (*Charges and Invoicing*), including any Milestone Payment or Service Charge;
"Class 1 Transaction"	has the meaning set out in the listing rules issued by the UK Listing Authority;
"CNI"	means Critical National Infrastructure;
"Commercially Sensitive Information"	the information listed in Schedule 4.2 (*Commercially Sensitive Information*) comprising the information of a commercially sensitive nature relating to: (a) the pricing of the Services; (b) details of the Supplier's IPRs; and (c) the Supplier's business and investment plans; which the Supplier has indicated to the Authority that, if disclosed by the Authority, would cause the Supplier significant commercial disadvantage or material financial loss;
"Common Data"	a set of data which is required to be held for all members of all pension schemes. Common data items are concerned with holding basic information about a member but do not enable scheme benefits to be calculated.
"Comparable Supply"	the supply of services to another customer of the Supplier that are the same or similar to any of the Services;
"Compensation for Unacceptable Service Level Failure"	has the meaning given in Clause 7.4(a) (*Unacceptable Service Level Failure*);
"Compensation Payment"	has the meaning given in Schedule 7.2 (*Payments on Termination*);
"Conditional Data"	is data that is specific to each individual pension Scheme;
"Confidence Interval"	means a statistical range which has a specified probability that a given parameter lies within that range. For the purposes of the

	Quantitative Surveys outlined in Schedule 2.2 (Performance Levels) the "Confidence Interval" has been set at +/-3%. Accordingly, for the purposes of Schedule 2.2 (Performance Levels) when the "Confidence Level" and the "Confidence Interval" are both met, it should be possible to be confident that 95% of the true percentage of the population (i.e. the result of surveying the entire population) is between +/-3% of the Quantitative Survey result;
"Confidence Level"	means a measure of how likely it is that the results of a Quantitative Survey will be truly representative of the wider audience. It is expressed as a percentage and represents how often the true percentage of the population (i.e. the result of surveying the entire population) would pick an answer that lies within the specified "Confidence Interval" set for the relevant Quantitative Survey. The "Confidence Level" for the Member and Employer Quantitative Surveys outlined in Schedule 2.2 (Service Levels) is set at 95% which means that it is possible to be 95% certain that a particular measure falls within the specified "Confidence Interval";
"Confidential Information"	(a) Information, including all Personal Data, which (however it is conveyed) is provided by the Disclosing Party pursuant to or in anticipation of this Agreement that relates to: (i) the Disclosing Party Group; or (ii) the operations, business, affairs, developments, intellectual property rights, trade secrets, know-how and/or personnel of the Disclosing Party Group; (b) other Information provided by the Disclosing Party pursuant to or in anticipation of this Agreement that is clearly designated as being confidential or equivalent or that ought reasonably to be considered to be confidential (whether or not it is so marked) which comes (or has come) to the Recipient's attention or into

	the Recipient's possession in connection with this Agreement; (c) discussions, negotiations, and correspondence between the Disclosing Party or any of its directors, officers, employees, consultants or professional advisers and the Recipient or any of its directors, officers, employees, consultants and professional advisers in connection with this Agreement and all matters arising therefrom; and (d) Information derived from any of the above, but not including any Information which: (i) was in the possession of the Recipient without obligation of confidentiality prior to its disclosure by the Disclosing Party; (ii) the Recipient obtained on a non-confidential basis from a third party who is not, to the Recipient's knowledge or belief, bound by a confidentiality agreement with the Disclosing Party or otherwise prohibited from disclosing the information to the Recipient; (iii) was already generally available and in the public domain at the time of disclosure otherwise than by a breach of this Agreement or breach of a duty of confidentiality; (iv) was independently developed without access to the Confidential Information; or (v) relates to the Supplier's: (1) performance under this Agreement; or (2) failure to pay any Sub-contractor as required pursuant to Clause 15.15(a) (*Supply Chain Protection*);
"Contract Change"	any change to this Agreement other than an Operational Change;

"Contracts Finder"	the online government portal which allows suppliers to search for information about contracts worth over £10,000 (excluding VAT) as prescribed by Part 4 of the Public Contract Regulations 2015;
"Contract Inception Report"	the initial financial model in a form agreed by the Supplier and the Authority in writing on or before the Effective Date, as set out in Annex 6 (Contract Inception Report) of Schedule 7.1 (*Charges and Invoicing*);
"Contract Year"	(a) the period commencing on the Effective Date and ending on the day before the first anniversary of the Implementation Services Commencement Date; or (b) thereafter a period of 12 months commencing on each anniversary of the Implementation Services Commencement Date; provided that the final Contract Year shall end on the expiry or termination of the Term;
"Control"	the possession by person, directly or indirectly, of the power to direct or cause the direction of the management and policies of the other person (whether through the ownership of voting shares, by contract or otherwise) and "**Controls**" and "**Controlled**" shall be interpreted accordingly;
"Controller"	has the meaning given in the UK GDPR;
"Corporate Change Event"	means: (a) any change of Control of the Supplier or a Parent Undertaking of the Supplier; (b) any change of Control of any member of the Supplier Group which, in the reasonable opinion of the Authority, could have a material adverse effect on the Services; (c) any change to the business of the Supplier or any member of the Supplier Group which, in the reasonable opinion of the

	Authority, could have a material adverse effect on the Services; (d) a Class 1 Transaction taking place in relation to the shares of the Supplier or any Parent Undertaking of the Supplier whose shares are listed on the main market of the London Stock Exchange plc; (e) an event that could reasonably be regarded as being equivalent to a Class 1 Transaction taking place in respect of the Supplier or any Parent Undertaking of the Supplier; (f) payment of dividends by the Supplier or the ultimate Parent Undertaking of the Supplier Group exceeding 25% of the Net Asset Value of the Supplier or the ultimate Parent Undertaking of the Supplier Group respectively in any 12 month period; (g) an order is made or an effective resolution is passed for the winding up of any member of the Supplier Group; (h) any member of the Supplier Group stopping payment of its debts generally or becoming unable to pay its debts within the meaning of section 123(1) of the Insolvency Act 1986 or any member of the Supplier Group ceasing to carry on all or substantially all its business, or any compromise, composition, arrangement or agreement being made with creditors of any member of the Supplier Group; (i) the appointment of a receiver, administrative receiver or administrator in respect of or over all or a material part of the undertaking or assets of any member of the Supplier Group; and/or (j) any process or events with an effect analogous to those in paragraphs (e) to (g) inclusive above occurring to a member of the Supplier Group in a jurisdiction outside England and Wales;
"Corporate Resolution Planning Information"	means, together, the:

	(a) Group Structure Information and Resolution Commentary; and (b) UK Public Sector and CNI Contract Information;
"Costs"	has the meaning given in Schedule 7 (*Charges and Invoicing*);
"CPP Milestone"	a contract performance point as set out in the Implementation Plan, being the Milestone at which the Supplier has demonstrated that the Supplier Solution or relevant Service is working satisfactorily in its operating environment in accordance with Schedule 6.2 (*Testing Procedures*);
"Critical National Infrastructure"	means those critical elements of UK national infrastructure (namely assets, facilities, systems, networks or processes and the essential workers that operate and facilitate them), the loss or compromise of which could result in: (a) major detrimental impact on the availability, integrity or delivery of essential services – including those services whose integrity, if compromised, could result in significant loss of life or casualties – taking into account significant economic or social impacts; and/or (b) significant impact on the national security, national defence, or the functioning of the UK;
"Critical Service Contract"	means the overall status of the Services provided under this Agreement as determined by the Authority and specified in paragraph 10.1 of Part B to Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*);
"Critical Service Level Failure"	means any of the following events: (a) the Supplier accruing in aggregate two thousand (2000) or more Service Points (in terms of the number of points allocated) in any period of two (2) consecutive months; or

	(b) the Supplier accruing in aggregate two thousand five hundred (2500) or more Service Points (in terms of the number of points allocated) in any period of three (3) consecutive months;
"CRP Information"	means the Corporate Resolution Planning Information;
"CRTPA"	the Contracts (Rights of Third Parties) Act 1999;
"Data Loss Event"	any event that results, or may result, in unauthorised access to Personal Data held by the Supplier under this Agreement, and/or actual or potential loss and/or destruction of Personal Data in breach of this Agreement, including any Personal Data Breach;
"Data Protection Impact Assessment"	an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data;
"Data Protection Legislation"	means all applicable Laws and guidance by relevant supervisory authorities relating to data protection, the processing of Personal Data, privacy and/or electronic communications in force from time to time, including: (a) the UK GDPR and any applicable national implementing Laws as amended from time to time; (b) the Data Protection Act 2018; and (c) the Privacy and Electronic Communications (EC Directive) Regulations 2003 (as may be amended);
"Data Subject Request"	a request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to their Personal Data;
"Data Subject"	has the meaning given in the DPA;
"Deductions"	all Service Credits, Compensation for Unacceptable Service Level Failure, Delay Payments or any other deduction which is paid

	or payable to the Authority under this Agreement;
"Default"	any breach of the obligations of the relevant Party (including abandonment of this Agreement in breach of its terms, repudiatory breach or breach of a fundamental term) or any other default, act, omission, negligence or statement: (a) in the case of the Authority, of its employees, servants, agents; or (b) in the case of the Supplier, of its Sub-contractors or any Supplier Personnel, in connection with or in relation to the subject-matter of this Agreement and in respect of which such Party is liable to the other;
"Defect"	(a) any error, damage or defect in the manufacturing of a Deliverable; or (b) any error or failure of code within the Software which causes a Deliverable to malfunction or to produce unintelligible or incorrect results; or (c) any failure of any Deliverable to provide the performance, features and functionality specified in the Authority Requirements or the Documentation (including any adverse effect on response times) regardless of whether or not it prevents the relevant Deliverable from meeting its associated Test Success Criteria; or (d) any failure of any Deliverable to operate in conjunction with or interface with any other Deliverable in order to provide the performance, features and functionality specified in the Authority Requirements or the Documentation (including any adverse effect on response times) regardless of whether or not it prevents the relevant Deliverable from meeting its associated Test Success Criteria;
"Deferred Members"	Teachers who have either left the profession or are no longer contributing to the Teachers' Pension Scheme;

"Delay Deduction Period"	the period of one hundred (100) days commencing on the relevant Milestone Date;
"Delay Payments"	the amounts payable by the Supplier to the Authority in respect of a Delay in Achieving a Key Milestone as specified in Schedule 7 (*Charges and Invoicing*);
"Delay"	(a) a delay in the Achievement of a Milestone by its Milestone Date; or (b) a delay in the design, development, testing or implementation of a Deliverable by the relevant date set out in the Implementation Plan;
"Deliverable"	an item or feature delivered or to be delivered by the Supplier at or before a Milestone Date or at any other stage during the performance of this Agreement;
"Dependent Parent Undertaking"	means any Parent Undertaking which provides any of its Subsidiary Undertakings and/or Associates, whether directly or indirectly, with any financial, trading, managerial or other assistance of whatever nature, without which the Supplier would be unable to continue the day to day conduct and operation of its business in the same manner as carried on at the time of entering into this Agreement, including for the avoidance of doubt the provision of the Services in accordance with the terms of this Agreement;
"Detailed Implementation Plan"	the plan developed and revised from time to time in accordance with Paragraphs 3 and 4 of Schedule 6 (*Implementation Plan*);
"Disclosing Party Group"	(a) where the Disclosing Party is the Supplier, the Supplier and any Affiliates of the Supplier; and (b) where the Disclosing Party is the Authority, the Authority and any Central Government Body with which the Authority or the Supplier interacts in connection with this Agreement;

"Disclosing Party"	has the meaning given in Clause 22.1 (*Confidentiality*);
"Dispute Notice"	a written notice served by one Party on the other stating that the Party serving the notice believes that there is a Dispute;
"Dispute Resolution Procedure"	the dispute resolution procedure set out in Schedule 8.3 (*Dispute Resolution Procedure*);
"Dispute"	any dispute, difference or question of interpretation arising out of or in connection with this Agreement, including any dispute, difference or question of interpretation relating to the Services, failure to agree in accordance with the Change Control Procedure or any matter where this Agreement directs the Parties to resolve an issue by reference to the Dispute Resolution Procedure;
"Documentation"	descriptions of the Services and Performance Indicators, details of the Supplier System (including (i) vendors and versions for off-the-shelf components and (ii) source code and build information for proprietary components), relevant design and development information, technical specifications of all functionality including those not included in standard manuals (such as those that modify system performance and access levels), configuration details, test scripts, user manuals, operating manuals, process definitions and procedures, and all such other documentation as: (a) is required to be supplied by the Supplier to the Authority under this Agreement; (b) would reasonably be required by a competent third party capable of Good Industry Practice contracted by the Authority to develop, configure, build, deploy, run, maintain, upgrade and test the individual systems that provide Services; (c) is required by the Supplier in order to provide the Services; and/or (d) has been or shall be generated for the purpose of providing the Services;

"DOTAS"	the Disclosure of Tax Avoidance Schemes rules which require a promoter of tax schemes to tell HMRC of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and as extended to national insurance contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, SI 2012/1868) made under section 132A of the Social Security Administration Act 1992;
"DPA"	the Data Protection Act 2018;
"Due Diligence Information"	any information supplied to the Supplier by or on behalf of the Authority prior to the Effective Date;
"Effective Date"	the date on which this Agreement is signed by both Parties;
"EIRs"	the Environmental Information Regulations 2004, together with any guidance and/or codes of practice issued by the Information Commissioner or any Central Government Body in relation to such Regulations;
"Emergency Maintenance"	ad hoc and unplanned maintenance provided by the Supplier where: (a) the Authority reasonably suspects that the Supplier System or the Services, or any part of the Supplier System or the Services, has or may have developed a fault, and notifies the Supplier of the same; or (b) the Supplier reasonably suspects that the Supplier System or the Services, or any part the Supplier System or the Services, has or may have developed a fault;
"Employee Liabilities"	all claims, actions, proceedings, orders, demands, complaints, investigations (save for any claims for personal injury which are covered by insurance) and any award, compensation, damages, tribunal awards, fine,

	loss, order, penalty, disbursement, payment made by way of settlement and costs, expenses and legal costs reasonably incurred in connection with a claim or investigation related to employment including in relation to the following: (a) redundancy payments including contractual or enhanced redundancy costs, termination costs and notice payments; (b) unfair, wrongful or constructive dismissal compensation; (c) compensation for discrimination on grounds of sex, race, disability, age, religion or belief, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation or claims for equal pay; (d) compensation for less favourable treatment of part-time workers or fixed term employees; (e) outstanding employment debts and unlawful deduction of wages including any PAYE and national insurance contributions; (f) employment claims whether in tort, contract or statute or otherwise; (g) any investigation relating to employment matters by the Equality and Human Rights Commission or other enforcement, regulatory or supervisory body and of implementing any requirements which may arise from such investigation;
"Employer"	has the meaning set out in schedule 1 of the Teachers' Pension Scheme Regulations 2014 governing the Scheme (as amended from time to time amended);
"Employment Regulations"	the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) as amended or replaced or any other Regulations implementing the Acquired Rights Directive;

“Estimated Initial Service Charges”	the estimated Service Charges payable by the Authority during the period of 12 months from the Operational Service Commencement Date, as set out in the Financial Model;
“Estimated Year 1 Charges”	the estimated Charges payable by the Authority during the first Contract Year, as set out in the Financial Model;
"EU GDPR"	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it has effect in EU law;
“Exit Day”	shall have the meaning in the European Union (Withdrawal) Act 2018;
“Exit Management”	services, activities, processes and procedures to ensure a smooth and orderly transition of all or part of the Services from the Supplier to the Authority and/or a Replacement Supplier, as set out or referred to in Schedule 8.5 (*Exit Management*);
“Exit Transition Plan”	the plan produced and updated by the Supplier during the Term in accordance with Paragraph 4 of Schedule 8.5 (*Exit Management*);
"Exiting Supplier"	means Capita Pension Solutions Limited, 65 Gresham Street, London, EC2V 7NQ;
“Expedited Dispute Timetable”	the reduced timetable for the resolution of Disputes set out in Paragraph 3 of Schedule 8.3 (*Dispute Resolution Procedure*);
“Expert Determination”	the process described in Paragraph 6 of Schedule 8.3 (*Dispute Resolution Procedure*);
“Expert”	has the meaning given in Schedule 8.3 (*Dispute Resolution Procedure*);
“Extension Period”	a period of twelve months from the end of the Initial Term or the anniversary thereof, as applicable;

"Financial Distress Event"	the occurrence of one or more of the events listed in Paragraph 3.1 of Schedule 7.4 (*Financial Distress*);
"Financial Distress Remediation Plan"	a plan setting out how the Supplier will ensure the continued performance and delivery of the Services in accordance with this Agreement in the event that a Financial Distress Event occurs;
"Financial Model"	has the meaning given in Schedule 7.5 (*Financial Reports and Audit Rights*);
"Financial Reports"	has the meaning given in Schedule 7.5 (*Financial Reports and Audit Rights*);
"Financial Transparency Objectives"	has the meaning given in Schedule 7.5 (*Financial Reports and Audit Rights*);
"FOIA"	the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time, together with any guidance and/or codes of practice issued by the Information Commissioner or any relevant Central Government Body in relation to such Act;
"Force Majeure Event"	any event outside the reasonable control of either Party affecting its performance of its obligations under this Agreement arising from acts, events, omissions, happenings or non-happenings beyond its reasonable control and which are not attributable to any wilful act, neglect or failure to take reasonable preventative action by that Party, including riots, war or armed conflict, acts of terrorism, acts of government, local government or regulatory bodies, fire, flood, storm or earthquake, or other natural disaster but excluding any industrial dispute relating to the Supplier or the Supplier Personnel or any other failure in the Supplier's or a Sub-contractor's supply chain;
"Force Majeure Notice"	a written notice served by the Affected Party on the other Party stating that the Affected Party believes that there is a Force Majeure Event;

"Former Supplier"	has the meaning given in Schedule 9 (*Staff Transfer*);
"General Anti-Abuse Rule"	(a) the legislation in Part 5 of the Finance Act 2013; and (b) any future legislation introduced into Parliament to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions;
"General Change in Law"	a Change in Law where the change is of a general legislative nature (including taxation or duties of any sort affecting the Supplier) or which affects or relates to a Comparable Supply;
"Good Industry Practice"	at any time the exercise of that degree of care, skill, diligence, prudence, efficiency, foresight and timeliness which would be reasonably expected at such time from a leading and expert supplier of services similar to the Services to a customer like the Authority, such supplier seeking to comply with its contractual obligations in full and complying with applicable Laws;
"Goods"	has the meaning given in Clause 9.7 (*Supply of Goods*);
"Group Structure Information and Resolution Commentary"	means the information relating to the Supplier Group to be provided by the Supplier in accordance with Paragraphs 11 to 13 and Annex 1 of Part B of Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*);
"Halifax Abuse Principle"	the principle explained in the CJEU Case C-255/02 Halifax and others;
"Health and Safety Policy"	the health and safety policy of the Authority and/or other relevant Central Government Body as provided to the Supplier on or before the Effective Date and as subsequently provided to the Supplier from time to time except any provision of any such subsequently provided policy that cannot be reasonably

	reconciled to ensuring compliance with applicable Law regarding health and safety;
"HMRC"	Her Majesty's Revenue and Customs;
"Impact Assessment"	has the meaning given in Schedule 8.2 (*Change Control Procedure*);
"Implementation Plan"	the Outline Implementation Plan or (if and when approved by the Authority pursuant to Paragraph 3 of Schedule 6 (*Implementation Plan*)) the Detailed Implementation Plan as updated in accordance with Paragraph 4 of Schedule 6 (*Implementation Plan*) from time to time;
"Implementation Services Commencement Date"	the date on which the Supplier is to commence provision of the first of the Services, being 1 October 2023
"Implementation Services"	the implementation services described as such in the Services Description;
"Indemnified Person"	the Authority and each and every person to whom the Authority (or any direct or indirect sub-licensee of the Authority) sub-licenses, assigns or novates any Relevant IPRs or rights in Relevant IPRs in accordance with this Agreement;
"Independent Control"	where a Controller has provided Personal Data to another Party which is neither a Processor or Joint Controller because the recipient itself determines the purposes and means of processing but does so separately from the Controller providing it with Personal Data;
"Information"	all information of whatever nature, however conveyed and in whatever form, including in writing, orally, by demonstration, electronically and in a tangible, visual or machine-readable medium (including CD-ROM, magnetic and digital form);
"Initial Term"	the period from the Effective Date until 10 years after the Operational Service Commencement Date.

"Initial Upload Date"	means the occurrence of an event detailed in Schedule 8.4 (*Reports and Records Provisions*) Annex 3 (*Virtual Library*) which requires the Supplier to provide its initial upload of the relevant information to the Virtual Library;
"Insolvency Event"	with respect to any person, means: (a) that person suspends, or threatens to suspend, payment of its debts, or is unable to pay its debts as they fall due or admits inability to pay its debts, or: (i) (being a company or a LLP) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986, or (ii) (being a partnership) is deemed unable to pay its debts within the meaning of section 222 of the Insolvency Act 1986; (b) that person commences negotiations with one or more of its creditors (using a voluntary arrangement, scheme of arrangement or otherwise) with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with one or more of its creditors or takes any step to obtain a moratorium pursuant to Section 1A and Schedule A1 of the Insolvency Act 1986 other than (in the case of a company, a LLP or a partnership) for the sole purpose of a scheme for a solvent amalgamation of that person with one or more other companies or the solvent reconstruction of that person; (c) another person becomes entitled to appoint a receiver over the assets of that person or a receiver is appointed over the assets of that person; (d) a creditor or encumbrancer of that person attaches or takes possession of, or a distress, execution or other such process is levied or enforced on or sued against, the whole or any part of that person's assets

	and such attachment or process is not discharged within fourteen (14) days; (e) that person suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business; (f) where that person is a company, a LLP or a partnership: (i) a petition is presented (which is not dismissed within fourteen (14) days of its service), a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of that person other than for the sole purpose of a scheme for a solvent amalgamation of that person with one or more other companies or the solvent reconstruction of that person; (ii) an application is made to court, or an order is made, for the appointment of an administrator, or if a notice of intention to appoint an administrator is filed at Court or given or if an administrator is appointed, over that person; (iii) (being a company or a LLP) the holder of a qualifying floating charge over the assets of that person has become entitled to appoint or has appointed an administrative receiver; or (iv) (being a partnership) the holder of an agricultural floating charge over the assets of that person has become entitled to appoint or has appointed an agricultural receiver; or (g) any event occurs, or proceeding is taken, with respect to that person in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned above;
"Intellectual Property Rights" or **"IPRs"**	(a) copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions,

	semi-conductor topography rights, trade marks, rights in Internet domain names and website addresses and other rights in trade names, designs, Know-How, trade secrets and other rights in Confidential Information; (b) applications for registration, and the right to apply for registration, for any of the rights listed at (a) that are capable of being registered in any country or jurisdiction; and (c) all other rights having equivalent or similar effect in any country or jurisdiction;
"Internal Dispute Resolution Procedure" or "IDRP"	means the procedure referred to in CA18 of Schedule 2.1 (Services Description);
"Intervention Cause"	has the meaning given in Clause 30.1 (*Remedial Adviser*);
"Intervention Notice"	has the meaning given in Clause 30.1 (*Remedial Adviser*);
"Intervention Period"	has the meaning given in Clause 30.2(c) (*Remedial Adviser*);
"Intervention Trigger Event"	(a) any event falling within limb (a), (b), (c), (e), (f) or (g) of the definition of a Supplier Termination Event; (b) a Default by the Supplier that is materially preventing or materially delaying the performance of the Services or any material part of the Services; (c) the Supplier accruing a total of two thousand (2000) or more Service Points (in terms of the number of points allocated) in any period of two (2) consecutive months; (d) the Supplier accruing Service Credits which meet or exceed 75% of the Service Credit Cap; and/or (e) the Supplier not Achieving a Key Milestone within seventy-five (75) days of its relevant Milestone Date;
"IPRs Claim"	any claim against any Indemnified Person of infringement or alleged infringement (including the defence of such infringement or alleged

	infringement) of any Relevant IPRs save for any such claim to the extent that it is caused by any use by or on behalf of that Indemnified Person of any Relevant IPRs, or the use of the Authority Software by or on behalf of the Supplier, in either case in combination with any item not supplied or recommended by the Supplier pursuant to this Agreement or for a purpose not reasonably to be inferred from the Services Description or the provisions of this Agreement;
"IT Environment"	the Authority System and the Supplier System;
"IT"	information and communications technology;
"Key Milestone"	the Milestones identified in the Implementation Plan as key milestones and in respect of which Delay Payments may be payable in accordance with Paragraph 1 of Part C of Schedule 7 (*Charges and Invoicing*) if the Supplier fails to Achieve the Milestone Date in respect of such Milestone;
"Key Performance Indicator" or "KPI"	means the key performance indicators (as amended from time to time in accordance with the provisions of Schedule 2.2 (Performance Levels)) applicable to the Services, as set out in Table 1 of Part 2 of Appendix 1 of Schedule 2.2 (Performance Levels);
"Key Personnel"	those persons appointed by the Supplier to fulfil the Key Roles, being the persons listed in Schedule 9.2 (*Key Personnel*) against each Key Role as at the Effective Date or as amended from time to time in accordance with Clauses 14.5 and 14.6 (*Key Personnel*);
"Key Roles"	a role described as a Key Role in Schedule 9.2 (*Key Personnel*) and any additional roles added from time to time in accordance with Clause 14.4 (*Key Personnel*);
"Key Sub-contract"	each Sub-contract with a Key Sub-contractor;
"Key Sub-contractor"	any Sub-contractor: (a) which, in the opinion of the Authority, performs (or would perform if appointed) a

	critical role in the provision of all or any part of the Services; and/or (b) with a Sub-contract with a contract value which at the time of appointment exceeds (or would exceed if appointed) 10% of the aggregate Charges forecast to be payable under this Agreement (as set out in the Financial Model);
"Know-How"	all ideas, concepts, schemes, information, knowledge, techniques, methodology, and anything else in the nature of know how relating to the Services but excluding know how already in the other Party's possession before this Agreement;
"KPI Failure"	a failure to meet the KPI Target in respect of a Key Performance Indicator;
"KPI Target"	the minimum level of performance for a KPI which is required by the Authority, as set out against the relevant KPI in Table 1 of Part 2 of Appendix 1 of Schedule 2.2 (Performance Levels);
"Law"	any law, statute, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, bye-law, enforceable right within the meaning of section 2 of the European Communities Act 1972, regulation, order, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body with which the Supplier is bound to comply;
"LED"	Law Enforcement Directive *(Directive (EU) 2016/680)*;
"Licensed Software"	all and any Software licensed by or through the Supplier, its Sub-contractors or any third party to the Authority for the purposes of or pursuant to this Agreement, including any Supplier Software, Third Party Software and/or any Specially Written Software;
"Losses"	losses, liabilities, damages, costs and expenses (including legal fees on a solicitor/client basis) and disbursements and

	costs of investigation, litigation, settlement, judgment interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty or otherwise;
"Maintenance Schedule"	shall have the meaning set out in Clause 9.4 (*Maintenance*);
"Malicious Software"	any software program or code intended to destroy, interfere with, corrupt, or cause undesired effects on program files, data or other information, executable code or application software macros, whether or not its operation is immediate or delayed, and whether the malicious software is introduced wilfully, negligently or without knowledge of its existence;
"Management Information"	the management and reporting information specified in Schedule 2.2 (*Performance Levels*), Schedule 7 (*Charges and Invoicing*) and Schedule 8 (*Governance*) to be provided by the Supplier to the Authority;
"Measurement Period"	in relation to a Performance Indicator, the period over which the Supplier's performance is measured (for example, a Service Period if measured monthly or a 12 month period if measured annually);
"Member"	means Teacher or their spouses or dependents or prospective members and beneficiaries of the Scheme, including Active Members, Deferred Members and Pensioner Members;
"Milestone Achievement Certificate"	the certificate to be granted by the Authority when the Supplier has Achieved a Milestone, which shall be in substantially the same form as that set out in Annex 3 of Schedule 6.2 (*Testing Procedures*);
"Milestone Adjustment Payment Amount"	in respect of each CPP Milestone the subject of a Milestone Adjustment Payment Notice, an amount determined in accordance with the formula: A – B

	where: (a) A is an amount equal to the aggregate sum of all Milestone Payments paid to the Supplier in respect of the Milestones (or in the case of Partial Termination, the Milestones for the parts of the Services terminated) relating to that CPP Milestone; and (b) B is an amount equal to the aggregate Allowable Price for the Retained Deliverables relating to that CPP Milestone or, if there are no such Retained Deliverables, zero;
"Milestone Adjustment Payment Notice"	has the meaning given in Clause 35.7 (*Payments by the Supplier*);
"Milestone Date"	the target date set out against the relevant Milestone in the Implementation Plan by which the Milestone must be Achieved;
"Milestone Payment"	a payment identified in Schedule 7 (*Charges and Invoicing*) to be made following the issue of a Milestone Achievement Certificate;
"Milestone Retention"	has the meaning given in Schedule 7 (*Charges and Invoicing*);
"Milestone"	an event or task described in the Implementation Plan which, if applicable, shall be completed by the relevant Milestone Date;
"month"	a calendar month and "**monthly**" shall be interpreted accordingly;
"Multi-Party Dispute Resolution Procedure"	has the meaning given in Paragraph 9.1 of Schedule 8.3 (*Dispute Resolution Procedure*);
"Multi-Party Procedure Initiation Notice"	has the meaning given in Paragraph 9.2 of Schedule 8.3 (*Dispute Resolution Procedure*);
"NCSC"	the National Cyber Security Centre or any replacement or successor body carrying out the same function;
"New Releases"	an item produced primarily to extend, alter or improve the Software and/or any Deliverable

	by providing additional functionality or performance enhancement (whether or not defects in the Software and/or Deliverable are also corrected) while still retaining the original designated purpose of that item;
"Non-retained Deliverables"	in relation to a CPP Milestone Payment Notice and each CPP Milestone the subject of that CPP Milestone Payment Notice, Deliverables provided to the Authority which relate to the relevant CPP Milestone(s) and which are not Retained Deliverables;
"Non-trivial Customer Base"	a significant customer base with respect to the date of first release and the relevant market but excluding Affiliates and other entities related to the licensor;
"Notifiable Default"	shall have the meaning given in Clause 28.1 (*Rectification Plan Process*);
"Notional Total Service Charges"	the amounts per Outcome Year used to calculate the Service Credit Cap and Outcome Charges as set out in Table 5 of Annex 1 to Schedule 7.1 (Charging and Invoicing). For the avoidance of any doubt Notional Total Service Charges are not a Service Charge payable to the Supplier but are just used for calculation purposes;
"Object Code"	software and/or data in machine-readable, compiled object code form;
"Occasion of Tax Non-Compliance"	(a) any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 is found on or after 1 April 2013 to be incorrect as a result of: (i) a Relevant Tax Authority successfully challenging the Supplier under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle; (ii) the failure of an avoidance scheme which the Supplier was involved in, and which was, or should have been,

	notified to a Relevant Tax Authority under the DOTAS or any equivalent or similar regime; and/or (b) any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 gives rise on or after 1 April 2013 to a criminal conviction in any jurisdiction for tax related offences which is not spent at the Effective Date or to a civil penalty for fraud or evasion;
"Open Book Data"	has the meaning given in Schedule 7.5 (*Financial Reports and Audit Rights*);
"Open Source"	computer software that is released on the internet for use by any person, such release usually being made under a recognised open source licence and stating that it is released as open source;
"Operating Environment"	the Authority System and the Sites;
"Operational Change"	any change in the Supplier's operational procedures which in all respects, when implemented: (a) will not affect the Charges and will not result in any other costs to the Authority; (b) may change the way in which the Services are delivered but will not adversely affect the output of the Services or increase the risks in performing or receiving the Services; (c) will not adversely affect the interfaces or interoperability of the Services with any of the Authority's IT infrastructure; and (d) will not require a change to this Agreement;
"Operational Service Commencement Date"	in relation to an Operational Service, the later of: (a) the date identified in the Operational Services Implementation Plan upon which the Operational Service is to commence; and

	(b) where the Implementation Plan states that the Supplier must have Achieved the relevant ATP Milestone before it can commence the provision of that Operational Service, the date upon which the Supplier Achieves the relevant ATP Milestone;
"Operational Services"	the operational services described as such in the Services Description;
"Optional Services Implementation Plan"	the implementation plan to effect the Optional Services agreed between the Parties prior to the Effective Date and, if not agreed prior to the Effective Date, to be developed by the Supplier and approved by the Authority;
"Optional Services"	the services described as such in Schedule 2.1 (*Services Description*) which are to be provided by the Supplier if required by the Authority in accordance with Clause 5.10 (*Optional Services*);
"OSS"	the Open Source Software identified in Schedule 5 (Software);
"Other Supplier"	any supplier to the Authority (other than the Supplier) which is notified to the Supplier from time to time and/or of which the Supplier should have been aware;
"Outcome Charge"	the sums due to the Supplier for achieving the Outcomes in each Outcome Year, as set out in Table 7 of Annex 1 to Schedule 7.1 (Charging and Invoicing) and the proportion and to extent to which the same are payable calculated in accordance with Part C and Appendix 2 of Schedule 2.2 (Performance Levels);
"Outcome Failure"	failure to meet the Target Performance Level in respect of an Outcome;
"Outcome Year"	(a) a period of 12 months commencing on the Operational Service Commencement Date; or (b) thereafter a period of 12 months commencing on each anniversary of the Operational Service Commencement Date;

	provided that the final Outcome Year shall end on the expiry or termination of the Term;
"Outcomes"	the outcomes set out in Table 1 of Appendix 2 of Schedule 2.2 (Performance Levels);
"Outline Implementation Plan"	the outline plan set out at Annex 1 of Schedule 6 (*Implementation Plan*);
"Parent Undertaking"	has the meaning set out in section 1162 of the Companies Act 2006;
"Partial Termination"	the partial termination of this Agreement to the extent that it relates to the provision of any part of the Services as further provided for in Clause 34.2(b) (*Termination by the Authority*) or 34.3(b) (*Termination by the Supplier*) or otherwise by mutual agreement by the Parties;
"Parties" and **"Party"**	have the meanings respectively given on page 1 of this Agreement;
"Pensioner Members"	those ex-Teachers who are drawing their pension and no longer working as a Teacher;
"Pensions Sharing and Earmarking Order Charges"	has the meaning given to it in requirement CA15 of Schedule 2.1 (*Services Description*);
"Performance Failure"	a Service Level Failure, a KPI Failure or an Outcome Failure;
"Performance Failure Log"	the hard copy and electronic version of the log to be created and maintained by the Supplier for recording full details of Performance Failures, as referred to in Paragraph 2 of Part C of Schedule 2.2 (Performance Levels);
"Performance Indicators"	the Service Levels, the Key Performance Indicators and the Outcomes;
"Performance Monitoring Report"	has the meaning given in Schedule 2.2 (*Performance Levels*);
"Permitted Maintenance"	has the meaning given in Clause 9.4 (*Maintenance*);
"Personal Data Breach"	has the meaning given in the UK GDPR;

"Personal Data"	has the meaning given in the UK GDPR;
"Preceding Services"	has the meaning given in Clause 5.2(b) (*Standard of Services*);
"Processor Personnel"	means all directors, officers, employees, agents, consultants and suppliers of the Processor and/or of any Sub-Processor engaged in the performance of its obligations under this Agreement;
"Processor"	has the meaning given to it under the UK GDPR;
"Prohibited Act"	(a) to directly or indirectly offer, promise or give any person working for or engaged by the Authority a financial or other advantage to: (i) induce that person to perform improperly a relevant function or activity; or (ii) reward that person for improper performance of a relevant function or activity; (b) to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this Agreement; (c) an offence: (i) under the Bribery Act 2010 (or any legislation repealed or revoked by such Act); (ii) under legislation or common law concerning fraudulent acts; or (iii) defrauding, attempting to defraud or conspiring to defraud the Authority (including offences by the Supplier under Part 3 of the Criminal Finances Act 2017); or (d) any activity, practice or conduct which would constitute one of the offences listed

	under (c) above if such activity, practice or conduct had been carried out in the UK;
"Project Specific IPRs"	(a) Intellectual Property Rights in items created by the Supplier (or by a third party on behalf of the Supplier) specifically for the purposes of this Agreement and updates and amendments of these items including (but not limited to) database schema; and/or (b) Intellectual Property Rights arising as a result of the performance of the Supplier's obligations under this Agreement; but shall not include the Supplier Background IPRs or the Specially Written Software;
"Protective Measures"	appropriate technical and organisational measures which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it;
"PSPS Change in Law"	a Change in Law that: (a) is not defined or reasonably foreseeable at the Effective Date; and (b) arises from or is related to any decision by a court, tribunal or a central government department which results in or requires a material amendment to the benefit structure of a PSPS (including the Scheme) under the relevant PSPS Rules (including the Scheme Rules); and (c) which results in significant additional administration work for the administrator of the relevant PSPS (including the Scheme); and (d) which does not otherwise fall within the definition of General Change in Law or Specific Change in Law;

"**PSPS Rules**"	the rules of any PSPS (as amended from time to time), including the Scheme Rules;
"**PSPS**"	means any public service pension scheme (including the Scheme);
"Public Sector and CNI Contract Information"	means the information requirements set out in accordance with Paragraphs 11 to 13 and Annex 2 of Part B of Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*);
"Public Sector Dependent Supplier"	means a supplier where that supplier, or that supplier's group has Annual Revenue of £50 million or more of which over 50% is generated from UK Public Sector Business;
"Publishable Performance Information"	means any of the information in the Performance Monitoring Report as it relates to a Performance Indicator where it is expressed as publishable in the table in Annex 1 which shall not constitute Commercially Sensitive Information;
"Quality Plans"	has the meaning given in Clause 6.1 (*Quality Plans*);
"Quantitative Survey"	means a surveying methodology which uses sampling techniques (such as online or telephone based surveying) so that its findings may be expressed numerically, and are capable of mathematical (statistical) manipulation to accurately estimate quantities. The mathematical basis of quantitative surveying means that its hypotheses and findings can be replicated over time;
"Quarter"	the first three Service Periods and each subsequent three Service Periods (save that the final Quarter shall end on the date of termination or expiry of this Agreement);
"Quarterly Strategy Board"	the body described in Paragraph 5 of Schedule 8 (*Governance*);
"Recipient"	has the meaning given in Clause 22.1 (*Confidentiality*);

"Records"	has the meaning given in Schedule 8.4 (*Reports and Records Provisions*);
"Rectification Plan Failure"	(a) the Supplier failing to submit or resubmit a draft Rectification Plan to the Authority within the timescales specified in Clauses 28.4 (*Submission of the draft Rectification Plan*) or 28.8 (*Agreement of the Rectification Plan*); (b) the Authority, acting reasonably, rejecting a revised draft of the Rectification Plan submitted by the Supplier pursuant to Clause 28.7 (*Agreement of the Rectification Plan*); (c) the Supplier failing to rectify a material Default within the later of: (i) 30 Working Days of a notification made pursuant to Clause 28.2 (*Notification*); and (ii) where the Parties have agreed a Rectification Plan in respect of that material Default and the Supplier can demonstrate that it is implementing the Rectification Plan in good faith, the date specified in the Rectification Plan by which the Supplier must rectify the material Default; (d) a Performance Failure re-occurring in respect of the same Performance Indicator for the same (or substantially the same) root cause in any of the 3 Measurement Periods subsequent to the Measurement Period in which the initial Performance Failure occurred; (e) the Supplier not Achieving a Key Milestone by the expiry of the Delay Deduction Period; and/or (f) following the successful implementation of a Rectification Plan, the same Notifiable Default recurring within a period of 6 months for the same (or substantially the same) root cause as that of the original Notifiable Default;

"Rectification Plan Process"	the process set out in Clauses 28.4 (*Submission of the draft Rectification Plan*) to 28.9 (*Agreement of the Rectification Plan*);
"Rectification Plan"	a plan to address the impact of, and prevent the reoccurrence of, a Notifiable Default;
"Registers"	has the meaning given in Schedule 8.5 (*Exit Management*);
"Regulator"	any supervisory authority with authority under Data Protection Legislation over the Processing of Personal Data;
"Regulatory Authorities"	all governmental, statutory or regulatory bodies (including The Pensions Regulator and the Regulator), any supervisory authority and any other competent authorities or entities in any jurisdiction having responsibility for the regulation or governance of the Authority, the Supplier, this Agreement, the Services or the activities which are comprised in all or some of the Services or the use or application of the output from any part of the Services, and **"Regulatory Authority"** means any of them;
"Reimbursable Expenses"	has the meaning given in Schedule 7 (*Charges and Invoicing*);
"Relevant Authority" or "Relevant Authorities"	means the Authority and the Cabinet Office Markets and Suppliers Team or, where the Supplier is a Strategic Supplier, the Cabinet Office Markets and Suppliers Team;
"Relevant IPRs"	IPRs used to provide the Services or as otherwise provided and/or licensed by the Supplier (or to which the Supplier has provided access) to the Authority or a third party in the fulfilment of the Supplier's obligations under this Agreement including IPRs in the Specially Written Software, the Supplier Non-COTS Software, the Supplier Non-COTS Background IPRs, the Third Party Non-COTS Software and the Third Party Non-COTS IPRs but excluding any IPRs in the Authority Software, the Authority Background IPRs, the Supplier COTS Software, the Supplier COTS Background

	IPRS, the Third Party COTS Software and/or the Third Party COTS IPRs;
"Relevant Preceding Services"	has the meaning given in Clause 5.2(b) (*Standard of Services*);
"Relevant Requirements"	all applicable Law relating to bribery, corruption and fraud, including the Bribery Act 2010 and any guidance issued by the Secretary of State for Justice pursuant to section 9 of the Bribery Act 2010;
"Relevant Tax Authority"	HMRC, or, if applicable, a tax authority in the jurisdiction in which the Supplier is established;
"Relevant Transfer"	a transfer of employment to which the Employment Regulations applies;
"Relief Notice"	has the meaning given in Clause 32.2 (*Authority Cause*);
"Remedial Adviser Failure"	has the meaning given in Clause 30.6 (*Remedial Adviser*);
"Remedial Adviser"	the person appointed pursuant to Clause 30.2 (*Remedial Adviser*);
"Repeat Failure"	has the meaning given to it in Paragraph 4 of Part A of Schedule 2.2 (Performance Levels);
"Replacement Services"	any services which are the same as or substantially similar to any of the Services and which the Authority receives in substitution for any of the Services following the expiry or termination or Partial Termination of this Agreement, whether those services are provided by the Authority internally and/or by any third party;
"Replacement Supplier"	any third party service provider of Replacement Services appointed by the Authority from time to time (or where the Authority is providing replacement Services for its own account, the Authority);
"Request For Information"	a Request for Information under the FOIA or the EIRs;

"Required Action"	has the meaning given in Clause 31.1(a) (*Step-In Rights*);
"Restricted Transfer"	means a transfer of Personal Data, which is undergoing processing or which is intended to be processed after transfer, to a country or territory to which such transfer is prohibited or subject to any requirement to take additional steps to adequately protect the Personal Data for the transfer to be lawful under the Data Protection Legislation
"Retained Deliverables"	has the meaning given in Clause 35.8(b) (*Payments by the Supplier*);
"Risk Register"	the register of risks and contingencies that have been factored into any Costs due under this Agreement, a copy of which is set out in Annex 4 of Schedule 7 (*Charges and Invoicing*);
"**Scheme Rules**"	the rules of the Scheme (as amended from time to time);
"Scheme"	the Teachers' Pension Scheme for England and Wales;
"Security Management Plan"	the document prepared by the Supplier using the template in Annex 3 to Schedule 2.4 (*Security Management*), comprising: (a) the Information Assurance Assessment; (b) the Personal Data Processing Statement; (c) the Required Changes Register; and (d) the Incident Management Process, as further developed and revised by the Supplier and approved by the Authority pursuant to Paragraphs 4 and 5 of Schedule 2.4 (*Security Management*);
"Service Charges"	the periodic payments made in accordance with Schedule 7 (*Charges and Invoicing*) in respect of the supply of the Operational Services, including the Base Charges and the Outcome Charges;

"Service Continuity Plan"	any plan prepared pursuant to Paragraph 2 of Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*) as may be amended from time to time;
"Service Continuity Services"	the business continuity, disaster recovery and insolvency continuity services set out in Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*);
"Service Credit Cap"	(a) in Contract Year 1, 7% of the Notional Total Service Charges; and (b) in Contract Year 2, 6.5% of the Notional Total Service Charges; and (c) during the remainder of the Term, 6% of the Notional Total Service Charges;
"Service Credits"	the sums payable in respect of the failure by the Supplier to meet one or more Service Levels as specified in Paragraph 3 of Part C of Schedule 7 (*Charges and Invoicing*);
"Service Failure"	a failure to deliver any part of the Services in accordance with the requirements of Schedule 2.1 (Services Description);
"Service Level Failure"	has the meaning given in Paragraph 3.3.2 of Part A of Schedule 2.2 (Performance Levels);
"Service Level Target"	the minimum level of performance for a Service Level which is required by the Authority, as set out against the relevant Service Level in Table 3 of Part 1 of Appendix 1 of Schedule 2.2 (Performance Levels);
"Service Levels"	means the levels of service and performance required to be provided by the Supplier, as prescribed in Part 1 of Appendix 1 of Schedule 2.2 (Performance Levels).
"Service Notification Event"	a problem or issue that arises in connection with the provision of the Services which either prevents or impedes the Supplier from: (a) performing all or any of the Services and/or (b) achieving one or more of the Service Levels and/or Outcomes;

"Service Period"	a calendar month, save that: (a) the first service period shall begin on the Operational Service Commencement Date and shall expire at the end of the calendar month in which the Operational Service Commencement Date falls; and (b) the final service period shall commence on the first day of the calendar month in which the Term expires or terminates and shall end on the expiry or termination of the Term;
"Service Points"	means the points that are set out in Table 3 of Part 1 of Appendix 1 of Schedule 2.2 (Service Levels) and which shall accrue to the Supplier in the event of any failure by the Supplier to achieve a Service Level;
"Service Transfer Date"	has the meaning given in Schedule 9 (*Staff Transfer*);
"Services Description"	the services description set out in Schedule 2.1 (*Services Description*);
"Services"	any and all of the services to be provided by the Supplier under this Agreement, including those set out in Schedule 2.1 (*Services Description*);
"Sites"	any premises (including the Authority Premises, the Supplier's premises or third party premises): (a) from, to or at which: (i) the Services are (or are to be) provided; or (ii) the Supplier manages, organises or otherwise directs the provision or the use of the Services; or (b) where: (i) any part of the Supplier System is situated; or (ii) any physical interface with the Authority System takes place;

"SME"	an enterprise falling within the category of micro, small and medium-sized enterprises defined by the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises;
"Social Value"	the social, economic or environmental benefits set out in the Authority's Requirements;
"Software as a Service"	a method of software delivery and licensing in which software is provided to the market as a service and is accessed online via a subscription, rather than bought and installed on individual computers;
"Software Supporting Materials"	has the meaning given in Clause 17.1(b) (*Specially Written Software and Project Specific IPRs*);
"Software"	Specially Written Software, Supplier Software and Third Party Software;
"Source Code"	computer programs and/or data in eye-readable form and in such form that it can be compiled or interpreted into equivalent binary code together with all related design comments, flow charts, technical information and documentation necessary for the use, reproduction, maintenance, modification and enhancement of such software;
"Specially Written Software"	any software (including database software, linking instructions, test scripts, compilation instructions and test instructions) created by the Supplier (or by a Sub-contractor or other third party on behalf of the Supplier) specifically for the purposes of this Agreement, including any modifications or enhancements to Supplier Software or Third Party Software created specifically for the purposes of this Agreement.
"Specific Change in Law"	a Change in Law that relates specifically to the business of the Authority and which would not affect a Comparable Supply;
"Spring Supplementary"	means the annual exercise where estimates of the Scheme income and expenditure are

	forecasted for the final three (3) months of the financial year;
"Staffing Information"	has the meaning given in Schedule 9 (*Staff Transfer*);
"Standards"	the standards, polices and/or procedures identified in Schedule 2.3 (*Standards*);
"Step-In Notice"	has the meaning given in Clause 31.1 (*Step-In Rights*);
"Step-In Trigger Event"	(a) any event falling within the definition of a Supplier Termination Event; (b) a Default by the Supplier that is materially preventing or materially delaying the performance of the Services or any material part of the Services; (c) the Authority considers that the circumstances constitute an emergency despite the Supplier not being in breach of its obligations under this Agreement; (d) the Authority being advised by a regulatory body that the exercise by the Authority of its rights under Clause 31 (*Step-In Rights*) is necessary; (e) the existence of a serious risk to the health or safety of persons, property or the environment in connection with the Services; and/or (f) a need by the Authority to take action to discharge a statutory duty;
"Step-Out Date"	has the meaning given in Clause 31.5(b) (*Step-In Rights*);
"Step-Out Notice"	has the meaning given in Clause 31.5 (*Step-In Rights*);
"Step-Out Plan"	has the meaning given in Clause 31.6 (*Step-In Rights*);
"Strategic Supplier"	means those suppliers to government listed at https://www.gov.uk/government/publications/strategic-suppliers;

"Sub-contract"	any contract or agreement (or proposed contract or agreement) between the Supplier (or a Sub-contractor) and any third party whereby that third party agrees to provide to the Supplier (or the Sub-contractor) all or any part of the Services or facilities or services which are material for the provision of the Services or any part thereof or necessary for the management, direction or control of the Services or any part thereof;
"Sub-contractor"	any third party with whom: (a) the Supplier enters into a Sub-contract; or (b) a third party under (a) above enters into a Sub-contract, or the servants or agents of that third party;
"Sub-processor"	any third party appointed to process Personal Data on behalf of the Supplier related to this Agreement;
"Subsidiary Undertaking"	has the meaning set out in section 1162 of the Companies Act 2006;
"Successor Body"	has the meaning given in Clause 37.4 (*Assignment and Novation*);
"Supplier Background IPRs"	(a) Intellectual Property Rights owned by the Supplier before the Effective Date, for example those subsisting in the Supplier's standard development tools, program components or standard code used in computer programming or in physical or electronic media containing the Supplier's Know-How or generic business methodologies; and/or (b) Intellectual Property Rights created by the Supplier independently of this Agreement, which in each case is or will be used before or during the Term for designing, testing implementing or providing the Services but excluding Intellectual Property Rights owned by the Supplier subsisting in the Supplier Software;

"Supplier COTS Background IPRs"	Any embodiments of Supplier Background IPRs that: (a) the Supplier makes generally available commercially prior to the date of this Agreement (whether by way of sale, lease or licence) on standard terms which are not typically negotiated by the Supplier save as to price; and (b) has a Non-trivial Customer Base;
"Supplier COTS Software"	Supplier Software (including open source software) that: (a) the Supplier makes generally available commercially prior to the date of this Agreement (whether by way of sale, lease or licence) on standard terms which are not typically negotiated by the Supplier save as to price; and (b) has a Non-trivial Customer Base;
"Supplier Equipment"	the hardware, computer and telecoms devices and equipment used by the Supplier or its Sub-contractors (but not hired, leased or loaned from the Authority) for the provision of the Services;
"Supplier Group"	means the Supplier, its Dependent Parent Undertakings and all Subsidiary Undertakings and Associates of such Dependent Parent Undertakings;
"Supplier Non-COTS Background IPRs"	Any embodiments of Supplier Background IPRs that have been delivered by the Supplier to the Authority and that are not Supplier COTS Background IPRs;
"Supplier Non-COTS Software"	Supplier Software that is not Supplier COTS Software;
"Supplier Non-Performance"	has the meaning given in Clause 32.1 (*Authority Cause*);
"Supplier Personnel"	all directors, officers, employees, agents, consultants and contractors of the Supplier and/or of any Sub-contractor engaged in the

	performance of the Supplier's obligations under this Agreement;
"Supplier Profit Margin"	has the meaning given in Schedule 7 (*Charges and Invoicing*);
"Supplier Profit"	has the meaning given in Schedule 7 (*Charges and Invoicing*);
"Supplier Representative"	the representative appointed by the Supplier pursuant to Clause 11.3 (*Representatives*);
"Supplier Software"	software which is proprietary to the Supplier (or an Affiliate of the Supplier) and which is or will be used by the Supplier for the purposes of providing the Services, including the software specified as such in Schedule 5 (*Software*);
"Supplier Solution"	the Supplier's solution for the Services set out in Schedule 4 (*Supplier Solution*) including any Annexes of that Schedule;
"Supplier System"	the information and communications technology system used by the Supplier in implementing and performing the Services including the Software, the Supplier Equipment, configuration and management utilities, calibration and testing tools and related cabling (but excluding the Authority System);
"Supplier Termination Event"	(a) the Supplier's level of performance constituting a Critical Service Level Failure; (b) the Supplier committing a material Default which is irremediable; (c) as a result of the Supplier's Default, the Authority incurring Losses in any Contract Year which exceed 80% of the value of the aggregate annual liability cap for that Contract Year as set out in Clause 26.6(a) (*Financial and other Limits*); (d) a Remedial Adviser Failure; (e) a Rectification Plan Failure;

	(f) where a right of termination is expressly reserved in this Agreement, including pursuant to: (i) Clause 19 (*IPRs Indemnity*); (ii) Clause 40.6(b) (*Prevention of Fraud and Bribery*); and/or (iii) Paragraph 6 of Schedule 7.4 (*Financial Distress*); (iv) Paragraph 12 of Part B to Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*); (g) the representation and warranty given by the Supplier pursuant to Clause 3.2(i) (*Warranties*) being materially untrue or misleading; (h) the Supplier committing a material Default under Clause 10.10 (*Promoting Tax Compliance*) or failing to provide details of steps being taken and mitigating factors pursuant to Clause 10.10 (*Promoting Tax Compliance*) which in the reasonable opinion of the Authority are acceptable; (i) the Supplier committing a material Default under any of the following Clauses: (i) Clause 5.5(j) (*Services*); (ii) Clause 24 (*Protection of Personal Data*); (iii) Clause 23 (*Transparency and Freedom of Information*); (iv) Clause 22 (*Confidentiality*); and (v) Clause 36 (*Compliance*); and/or in respect of any security requirements set out in Schedule 2.1 (*Services Description*), Schedule 2.4 (*Security Management*) or the Baseline Security Requirements; and/or in respect of any requirements set out in Schedule 9 (*Staff Transfer*); (j) any failure by the Supplier to implement the changes set out in a Benchmark Report as

	referred to in Paragraph 5.9 of Schedule 7.3 (*Benchmarking*); (k) an Insolvency Event occurring in respect of the Supplier; (l) a change of Control of the Supplier unless: (i) the Authority has given its prior written consent to the particular Change of Control, which subsequently takes place as proposed; or (ii) the Authority has not served its notice of objection within 6 months of the later of the date on which the Change of Control took place or the date on which the Authority was given notice of the Change of Control; (m) a change of Control of a Key Sub-contractor unless, within 6 months of being notified by the Authority that it objects to such change of Control, the Supplier terminates the relevant Key Sub-contract and replaces it with a comparable Key Sub-contract which is approved by the Authority pursuant to Clause 15.10 (*Appointment of Key Sub-contractors*); (n) any failure by the Supplier to enter into or to comply with an Admission Agreement under the Annex to either Part A or Part B of Schedule 9 (*Staff Transfer*); (o) the Authority has become aware that the Supplier should have been excluded under Regulation 57(1) or (2) of the Public Contracts Regulations 2015 from the procurement procedure leading to the award of this Agreement; (p) a failure by the Supplier to comply in the performance of the Services with legal obligations in the fields of environmental, social or labour law; or (q) in relation to Schedule 2.4 (*Security Requirements*): (i) the Authority has issued two rejection notices in respect of the Security

	Management Plan under Paragraph 4.5(b) (Part A) (ii) the Supplier fails to implement a change required by the Required Changes Register in accordance with the timescales set out in the Required Changes Register; (iii) Supplier COTS Software and Third Party COTS Software is not within mainstream support unless the Authority has agreed in writing. (iv) the Supplier fails to patch vulnerabilities in accordance with the Security Requirements; and/or, (v) the Supplier fails to comply with the Incident Management Process.
"Supply Chain Transparency Report"	means the report provided by the Supplier to the Authority in the form set out in Annex 4 of Schedule 8.4 (*Reports and Records Provisions*);
"Target Performance Level"	the minimum level of performance for an Outcome which is required by the Authority, as set out against the relevant Outcome in Table 1 of Appendix 2 of Schedule 2.2 (Performance Levels);
"**Teacher**"	any person who is eligible for membership of the Teachers' Pension Scheme, whether or not he or she is a Member;
"Teachers' Pension Scheme" or "TPS"	has the same meaning as Scheme above;
"Term"	the period commencing on the Effective Date and ending on the expiry of the Initial Term or any Extension Period or on earlier termination of this Agreement;
"Termination Assistance Notice"	has the meaning given in Paragraph 5 of Schedule 8.5 (*Exit Management*);
"Termination Assistance Period"	in relation to a Termination Assistance Notice, the period specified in the Termination Assistance Notice for which the Supplier is

	required to provide the Termination Services as such period may be extended pursuant to Paragraph 5.2 of Schedule 8.5 (*Exit Management*);
"Termination Date"	the date set out in a Termination Notice on which this Agreement (or a part of it as the case may be) is to terminate;
"Termination Notice"	a written notice of termination given by one Party to the other, notifying the Party receiving the notice of the intention of the Party giving the notice to terminate this Agreement (or any part thereof) on a specified date and setting out the grounds for termination;
"Termination Payment"	the payment determined in accordance with Schedule 7.2 (*Payments on Termination*);
"Termination Services"	the services and activities to be performed by the Supplier pursuant to the Exit Transition Plan, including those activities listed in Annex 1 of Schedule 8.5 (*Exit Management*), and any other services required pursuant to the Termination Assistance Notice;
"Test Issues"	has the meaning given in Schedule 6.2 (*Testing Procedures*);
"Test Success Criteria"	has the meaning given in Schedule 6.2 (*Testing Procedures*);
"Tests" and "Testing"	any tests required to be carried out under this Agreement, as further described in Schedule 6.2 (*Testing Procedure*) and "**Tested**" shall be construed accordingly;
"The Pensions Regulator" or "TPR"	means the executive non-departmental public body, sponsored by the Department for Work and Pensions, which is the UK regulator of work-based pension schemes;
"Third Party Auditor"	an independent third party auditor as appointed by the Authority from time to time to confirm the completeness and accuracy of information uploaded to the Virtual Library in accordance with the requirements outlined in

	Schedule 8.4 (*Reports and Records Provisions*);
"Third Party Beneficiary"	has the meaning given in Clause 44.1 (*Third Party Rights*);
"Third Party COTS IPRs"	Third Party IPRs that: (a) the supplier makes generally available commercially prior to the date of this Agreement (whether by way of sale, lease or licence) on standard terms which are not typically negotiated by the supplier save as to price; and (b) has a Non-trivial Customer Base;
"Third Party COTS Software"	Third Party Software (including open source software) that: (a) the supplier makes generally available commercially prior to the date of this Agreement (whether by way of sale, lease or licence) on standard terms which are not typically negotiated by the supplier save as to price; and (b) has a Non-trivial Customer base;
"Third Party IPRs"	Intellectual Property Rights owned by a third party but excluding Intellectual Property Rights owned by the third party subsisting in any Third Party Software;
"Third Party Non-COTS IPRs"	Third Party IPRs that are not Third Party COTS IPRs;
"Third Party Non-COTS Software"	Third Party Software that is not Third Party COTS Software;
"Third Party Provisions"	has the meaning given in Clause 44.1 (*Third Party Rights*);
"Third Party Software"	software which is proprietary to any third party (other than an Affiliate of the Supplier) or any Open Source Software which in any case is, will be or is proposed to be used by the Supplier for the purposes of providing the Services, including the software specified as such in Schedule 5 (*Software*);

"Transferring Assets"	has the meaning given in Paragraph 6.2(a) of Schedule 8.5 (*Exit Management*);
"Transferring Authority Employees"	has the meaning given in Schedule 9 (*Staff Transfer*);
"Transferring Former Supplier Employees"	has the meaning given in Schedule 9 (*Staff Transfer*);
"Transferring Supplier Employees"	has the meaning given in Schedule 9 (*Staff Transfer*);
"Transparency Information"	has the meaning given in Clause 23.1 (*Transparency and Freedom of Information*);
"Transparency Reports"	has the meaning given in Schedule 8.4 (*Reports and Records Provisions*);
"Treasury"	means the Commissioners of Her Majesty's Treasury having charge of the collection and management of public revenue;
"UK GDPR"	the UK retained EU law version of the EU General Data Protection Regulation (EU) 2016/679, as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 and the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2020;
"UK Public Sector / CNI Contract Information"	means the information relating to the Supplier Group to be provided by the Supplier in accordance with Paragraphs 11 to 13 and Annex 2 of Part B of Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*);
"UK Public Sector Business"	means any goods, service or works provision to UK public sector bodies, including Central Government Departments and their arm's length bodies and agencies, non-departmental public bodies, NHS bodies, local authorities, health bodies, police, fire and rescue, education bodies and devolved administrations;
"UK"	the United Kingdom;

"Unacceptable Service Level Failure"	the Supplier incurring the maximum Service Points available for a Service Level Failure in respect of more than 50% of the Service Levels that are measured in that Service Period;
"Unconnected Sub-contract"	any contract or agreement which is not a Sub-contract and is between the Supplier and a third party (which is not an Affiliate of the Supplier) and is a qualifying contract under regulation 6 of The Reporting on Payment Practices and Performance Regulations 2017;
"Unconnected Sub-contractor"	any third party with whom the Supplier enters into an Unconnected Sub-contract;
"Unrecovered Payment"	has the meaning given in Schedule 7.2 (*Payments on Termination*);
"Update Requirement"	means the occurrence of an event detailed in Schedule 8.4 (*Reports and Records Provisions*) Annex 3 (*Virtual Library*) which requires the Supplier to update the relevant information hosted on the Virtual Library;
"Updates"	in relation to any Software and/or any Deliverable means a version of such item which has been produced primarily to overcome Defects in, or to improve the operation of, that item;
"Upgrades"	any patch, New Release or upgrade of Software and/or a Deliverable, including standard upgrades, product enhancements, and any modifications, but excluding any Update which the Supplier or a third party software supplier (or any Affiliate of the Supplier or any third party) releases during the Term;
"Valid"	in respect of an Assurance, has the meaning given to it in Paragraph 11.7 of Part B to Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*);
"VAT"	value added tax as provided for in the Value Added Tax Act 1994;

"VCSE"	means a non-governmental organisation that is value-driven and which principally reinvests its surpluses to further social, environmental or cultural objectives;
"Virtual Library"	means the data repository hosted by the Supplier containing the information about this Agreement and the Services provided under it in accordance with Schedule 8.4 (*Reports and Records Provisions*);
"Weightings"	has the meaning given in Paragraph 6.1 of Part B of Schedule 2.2 (Performance Levels); and
"Working Day"	any day other than a Saturday, Sunday or public holiday in England and Wales.

SCHEDULE 2

SERVICE REQUIREMENTS

SCHEDULE 2.1

SERVICE REQUIREMENTS - SERVICES DESCRIPTION

Version Control		
Version	**Published Date**	**Comments**
Draft	21/09/2021	Draft SOSR published
1.0	17/12/2021	Version 1.0 SOSR published
2.0	18/01/2022	Version 2.0 SOSR published Changes to version 2.0 SOSR: • Footer updated • Minor grammar amends • Page numbers included
3.0	06/05/2022	Version 3.0 SOSR published Changes to version 3.0 SOSR: • Section 2.3 Calculations and Payments - CA15 updated • Section 2.3 Calculations and Payments - CA32A inserted • Section 6 updated to include reference “In addition to its obligations under Clause 8 (Services Improvement)” • Section 6 - SI & CI1, SI & CI2 and SI & CI6 updated • Section 11.8 Financial Reporting – Scheme Interim and Annual Report and Accounts - FR33 updated • Section 12.3 Service Delivery Transition - IP32 updated • Section 12.5 Knowledge Transfer to support a future Transition deleted • Section 13.3 Modern Slavery - MS6 inserted

Interpretation of the Statement of Service Requirement: Definitions.

For the purposes of this Statement, the following definitions shall apply (along with the abbreviations set out in the Glossary of Abbreviations at the end of this document) in addition to the definitions in Schedule 1 (Definitions).

Customer	Any individual, group, stakeholder, or other party that the Supplier interacts with in delivering the Services, including Members and Employers and the Authority.
Public Sector Transfer Club	A network of public and private sector pension schemes in which the Scheme participates, that exists to make it easier for employees who move between Employers covered by separate participating schemes to transfer their accrued pension rights. Provided specified conditions are met, transferees receive a broadly equivalent service credit (taking into account differences in Scheme benefits) in the new Scheme;
Scheme Manager	The Secretary of State.
Regulations	Principally the Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014 (as amended), but also any previous versions of the above regulations and any other regulations relevant to the Scheme, including but not limited to: the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 2015; and, the Colleges of Education (Compensation) Regulations 1975.
Scheme Data	data, including Personal Data, which relates to the Scheme or its Members.
TPSPB	Teachers' Pension Scheme Pension Board, which is responsible for providing assurance on the effectiveness of the arrangements for managing the Scheme to the Authority.
TPSAB	Teachers' Pension Scheme Advisory Board, which is responsible for providing advice to the Scheme Manager for the Scheme, at the Scheme Manager's request, on the desirability of changes to the Scheme and on matters of policy.

1 Introduction

Vision and mission:

- The vision for the Teachers' Pension Scheme is to ensure that the Scheme offers an attractive, clear, and cost-effective contribution to the total reward package for Teachers, and thus, that it plays a full part in recruiting and retaining an excellent teaching workforce.
- The Authority wants the Scheme administration to continue to be accepted as the best administered UK public service pension scheme. Providing an effective, fully digital, personalised service to our Members and Employers, with our Supplier at the centre of the administration design and future development.
- To ensure the Scheme remains attractive to Members and plays a full part in recruiting and retaining an excellent teaching workforce, it is essential that Members, Employers, and other stakeholders continue to be provided with an excellent administration service. One that is welcoming, Customer focused, easy to access and use, professional, and delivers a high standard of service.

Consequently, our vision and key requirements are for a service that:

- Puts the Customer at the centre and the emphasis on proactively encouraging Members to engage with their pension and enabling Teachers and to make informed decisions.
- Ensures Members have ready access to a personalised service with information targeted to their particular circumstances or needs and includes access to up-to-date information about their pension and options.
- Provides professional and effective support to Employers, recognising their different needs to enable them to support the administration of the Scheme and their employees effectively.
- Utilises a range of communication channels and media suited to varying Member and Employer needs, whilst ensuring all are encouraged to benefit from the opportunities that self-service/transacting online presents.
- Uses IT to fully automate calculations, straight through processing, with the ability to transact/self-serve online for all normal matters.
- Ensures the right data is collected in a timely manner and is put to maximum use, not only in personalising the service but to drive efficient administration (for example via workflow management), and ensure Members and Employers understand and appreciate the value of the Scheme as part of the total reward package.
- Ensures Scheme finances/transactions are managed effectively, and the Authority is appropriately supported in effectively undertaking all accounting and reporting duties; including the production of annual accounts and

providing accurate information and forecasts to HM Treasury and the Office for Budget Responsibility.

- Enables policy decisions to be made in the light of the right evidence thereby maximising the impact on the recruitment and retention of excellent Teachers.
- Is agile and intelligently responds to the changing needs of Members and Employers.
- Delivers continued improvement throughout the life of the Agreement.

At the same time, we expect that the Supplier will deliver the basics to the very high standard expected, including the:

- Maintenance of Member and Employer pension records, using the high quality data collected, on a monthly basis.
- Accurate calculation, and where appropriate recalculation, of pension payments.
- Timely and efficient handling of transactions and enquiries.
- Making payments correctly and on time.
- Collecting of contributions accurately and efficiently utilising appropriate technologies.
- Maintenance of effective financial administration arrangements and accurate forecasting.
- Provision, analysis, and effective use of high quality and timely management information on workflow, performance, and Scheme trends.
- Provision of accurate and timely data to support the estimate process and the monthly and statutory reporting.
- Provision of a safe and secure IT system; and compliance with all relevant regulations and legislation.

In short, we expect that the Scheme will continue to be the best and most cost effectively run of all public service pension schemes, as demonstrated consistently by benchmarking, and that this position will be maintained by ensuring the administration of the Scheme continues to evolve appropriately. In essence, our vision is for a Customer centric, fully automated service whereby data, technology and knowledge are used to best effect to deliver a personalised service to Members and Employers. Through which, for example: Members have ready access to their information and pension position; begin to receive targeted information relevant to their personal circumstances; engagement is proactive; automation is the norm including the capacity for Members to self-serve and engage online where they wish to; messages and information are made/available via multiple channels and media in formats that maximise engagement; and there is continuous improvement for Members and Employers.

In delivering ongoing improvement to Scheme administration arrangements, including pursuant to clause 8 (Services Improvement) of the Agreement, the Supplier is

required to utilise developing UK pension scheme best practice and governmental digital, data protection and security standards. Scheme delivery efficiencies will be achieved which support the continual development of the Scheme, with the efficiencies balanced against the need to implement technical and communications improvements that will assist with the delivery of the Services.

The Supplier is required to work in partnership with the Authority to further develop and deliver the strategic aims for the service, with the above being the starting point, in accordance with paragraph 12.6 of Schedule 2.2 (Performance Levels). This includes supporting the development of policy and regulations for a Scheme which adds to wider Authority aims on recruitment and retention, complies with overriding laws and equality requirements, and contributes effectively to the development and delivery of strategic public sector pension policy across Government.

2 Core Administration

The Supplier will work with the Authority in ensuring the continued effectiveness of the Scheme by:

- Administering it in accordance with the Regulations and all other relevant laws that apply to the Scheme.
- Administering it in a way that encourages and assists Teachers and Employers to engage with, understand, and use the pension options available to them.
- Introducing changes to the administration that support the Authority in the achievement of its objectives (including as set out in paragraph 1 of this Schedule).
- Collecting and maintaining data relevant to the Scheme, its administration and the wider needs of the Authority.
- Supporting the Authority through the systematic and effective analysis of Scheme data, to assess the continued effectiveness of all Scheme arrangements.
- Working with the Authority, and where appropriate HM Treasury and other Central Government Bodies to consider and develop appropriate changes in policy.

The general administration requirement includes the following.

2.1 Legislation

The Supplier is required to administer the Scheme in accordance with the Regulations (see requirements CA1 and CA2 below).

The Supplier will work with the Authority to ensure the Scheme remains compliant with and supportive of any Change in Law. Supplier (see requirements CA3 to CA6 inclusive below).

Without prejudice to clauses 13.2 to 1334.4 (C*hange in Law*), it is essential therefore that the Supplier is proactive in monitoring, analysing, and adapting to new laws, ensuring the Scheme continues to adapt appropriately (see requirements CA1, and CA3 to CA6 inclusive below).

The Supplier must also work to ensure the Scheme remains valued by all parties who have an interest in the Scheme (see requirements CA4 and CA5 below).

The Supplier will be required to:

Ref.	Requirement
CA1	Administer the Scheme in accordance with the Regulations and

	other applicable laws, guidance, code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body.
CA2	Develop, maintain, and apply procedures to ensure that the Supplier Personnel take decisions in accordance with delegations from the Authority (as notified by the Authority to the Supplier in writing) and that where the Supplier is not empowered to deal with an issue under the relevant Regulations, laws and delegations, the issue is referred to the Authority for advice. The referral must be in a format, as agreed by the Authority, which enables the Authority to fully consider the facts and issues involved and includes a recommended course of action where appropriate.
CA3	Proactively identify, analyse, and propose to the Authority changes and improvements to the Scheme administration arrangements (including any Change in Law).
CA4	Support the Authority in the development of Scheme policy and legislative development. Where the Authority and/or any Central Government Body is considering any changes to the Scheme, the Regulations or wider legislation affecting pension schemes, the Supplier is required to work with the Authority by proactively analysing proposed changes and/or developing and proposing to the Authority effective amendments to Scheme provisions or procedures, to support delivery of the Authority's and/or Central Government Bodies' objectives, or the Scheme's compliance with any other legislation, Law and/or Regulation.
CA5	Without prejudice to clauses 13.2 to 13.4 (*Change in Law*) of the Agreement, consult effectively with and provide assurance to the Authority when introducing any changes to the administration processes or procedures, including where those changes result from amendments to legislation and other arrangements that affect delivery of the service. The Supplier will be required to demonstrate that the changes are reasonable and appropriate to the Scheme and will ensure effective and efficient service delivery, and, within that, include an assessment of the impact of the changes on stakeholders, particularly in relation to potential burdens on Employers and Members.
CA6	Ensure all Supplier Personnel are trained on Scheme policy and all legislation relating to it to a standard expected of a high-quality administration. Within that, ensure sufficient subject matter expertise is maintained, i.e. sufficient to deal with the throughput of work in accordance with agreed targets and to contribute to policy development and other requirements covered by this Schedule.

2.2 Membership and Records

The Supplier must encourage Membership of the Scheme but only admit eligible Employers and Teachers into it (as set out in the Regulations). Appropriate records must be kept in a suitable format to enable accurate and effective delivery of the service and comply with the requirements of this Statement of Service Requirements and of oversight bodies such as the Pensions Regulator.

The Supplier will be required to do the following:

Ref.	Requirement
CA7	Ensure that only eligible Employers are admitted to the Scheme (as set out in the Regulations).
CA8	Where appropriate in accordance with Scheme Regulations, ensure a guarantee, indemnity or bond is secured from the Employer.
CA9	Admit eligible Teachers into the Scheme (as set out in the Regulations), and action requests to opt-out where that is the desire of the individual involved, making sure the individual, their Employer(s), and all relevant parties are aware of the implications of opting out and the effect on the Teacher's status with respect to the Scheme in a timely manner.
CA10	Keep effective records of all Members of the Scheme (including credit Members), and other relevant Teachers (e.g., those who have opted out), and ensure each record is uniquely identifiable to enable delivery of the services.
CA11	Maintain a comprehensive, accurate and suitable history of pension related information and events (for example, status / elections / nominations / normal pension age / service / salary details) for each Member in order to enable delivery of the services. It is expected that core data, in particular around service, salary and contributions, will be collected from Employers on a monthly basis and that the Member's record will be updated likewise – with a full and systematic reconciliation between Member and Employer level information to enable effective and robust management of: overall Scheme finances; smooth handling of benefit crystallisation events; and, Members to access accurate and timely information on their pension savings.
CA12	Ensure that the Authority's appointed Supplier of the Teachers' Additional Voluntary Contribution (TAVC) Scheme (currently Prudential PLC as at the effective date and any replacement Supplier appointed by the Authority) is informed in a timely manner when Members of the TAVC Scheme take any form of retirement benefit from the Scheme.
CA13	Notify the Education Workforce Council (EWC), or the Teaching Regulation Agency (TRA) immediately if the relevant data/information shows any changes to the employment status

	or personal details of Members who have decisions, prohibitions, restrictions, or alerts against them in relation to teaching in England and Wales.

2.3 Calculations and Payments

The Supplier must ensure that only those eligible to benefits under the Scheme receive them and that they receive precisely the benefits to which they are entitled under the Regulations. It is expected that the Supplier will make maximum use of technology and automation in achieving this.

The Supplier will be required to:

Ref.	Requirement
CA14	Ensure a relevant individual's (Member, credit Member and/or Beneficiary's) eligibility and make accurate/validated payments to the right person. Eligibility checking must be robust – for example, validated by, as appropriate, checking relevant court orders, documentation and/or certificates, e.g., birth, marriage, death certificates or a service such as "*Tell Us Once"*. In addition, payment must be made to the Scheme Member or Beneficiary, as appropriate, except where the payment is made to, for example, the parent or guardian of a Scheme Beneficiary who is under the age of 18 years, or is to a third party on production, for example, of a Court Order, Earmarking Order, Court of Protection Order, or Enduring Power of Attorney.
CA15	Make accurate, timely calculations, re-calculations where appropriate, and payments in accordance with the Regulations and wider legislation. Key aspects include (and in each case as defined in accordance with the Regulations): • Repayment of Contributions; • Reinstatement of Service Previously Withdrawn; • Payment of Guaranteed Minimum Pension (GMP); • Age Retirement; • Premature Retirements Compensation (PRC); • Actuarially Reduced Benefits; • Phased Retirement Benefits; • Abatement of Pension; • Additional Pension Benefits; • Ill Health Retirement Benefits; • Total Incapacity Benefits;

Ref.	Requirement
	• Short Service Incapacity Grant; • Short Service Annuities; • Death Grants; • Short-term Family Pensions; • Long-term Family Pensions; • Transfer Values (transfers out); • Service Credits (transfers in); • Pension Sharing, and Earmarking Orders; • Commutation on Grounds of Triviality; • Commutation of Lump Sum to Pension (person aged over 75); • Pensions Increase; • Faster Accrual; • Buy Out; and • Scheme Pays Arrangements. The Supplier should ensure robust and effective arrangements are in place to undertake re-calculations and adjust payments as appropriate where there is a need to do so; for example, as a result of case law which has retrospective effect. This will include the capacity to, where appropriate, calculate and demonstrate the result under different sub-sets of the Scheme arrangements, i.e. career average and final salary. The Supplier should ensure arrangements are in place, in accordance with existing Laws, to enable the payment of pension to an overseas account where a pension recipient has so requested. The Supplier should ensure Members have timely access to information enabling them to assess their annual and lifetime allowance. The Supplier shall be entitled to charge the relevant Member for the administration of any payments it makes to that Member in relation to any Pension Sharing and/or Earmarking Order (the "**Pensions Sharing and Earmarking Order Charges**"), providing that the Pensions Sharing and Earmarking Charges are within the guidelines issued by the Pensions and Lifetime Savings Association and shall be agreed by the Authority in advance.

Ref.	Requirement
CA16	Ensure they have systems, processes, and procedures in place to enable statutory obligations, as set out within the Regulations and all other relevant laws, to be achieved that require the provision and receipt of information from all relevant third parties. E.g., Effective arrangements must be in place to obtain, validate, maintain, and use, as appropriate, Guaranteed Minimum Pension (GMP) data.
CA17	Notify the Authority of any errors or omissions, which have occurred in the Supplier's provision of the services, and of any cost implications and reimburse the Authority for any loss and/or additional cost to the Authority arising from such errors or omissions. Where the Authority considers that a complainant has suffered an injustice as a result of the Supplier's action or inaction, the Supplier will, as directed by the Authority, be required to make: • Such restitution as to restore the complainant to the position they would have been in had it not been for the Supplier's action or inaction. • Compensatory payment for distress and/or inconvenience up to a value that could be determined by the Pensions Ombudsman in any one case. The Supplier will ensure that the requirements of the Pensions Regulator, including as set out within the Regulations, in respect of notifiable events are fully met where errors or omissions occur.
CA18	Operate an effective one-stage internal dispute resolution procedure (IDRP) complaints procedure. (except for ill health early retirement benefits (CA19 and CA20) cases). Support the Authority in operating a one stage IDRP, ensuring the case is considered by Supplier personnel that were not involved in the original case and that the Authority is given the appropriate information, advice, and support to respond appropriately in all cases.
CA19	Make evidence-based decisions on whether to accept or reject applications in respect of ill health early retirement benefits. This will include obtaining, and applying due diligence to, application evidence, and undertaking an assessment of the evidence and recommendation from the medical advisers appointed by the Authority. The Supplier does not need medical knowledge.

Ref.	Requirement
CA20	Make evidence-based decisions on whether or not to accept or reject first stage IDRP appeals in respect of ill health early retirement benefits and support the Authority in handling of second stage IDRP appeals (in accordance with the requirements as detailed in CA18). This will include obtaining and considering an assessment of the evidence and a recommendation from the medical advisers appointed by the Authority. The Supplier does not need medical knowledge.
CA21	Inform the Authority immediately of all cases which involve or may involve the courts, tribunals, or the Pensions Ombudsman. Deal effectively, communicate well, and cooperate fully with, and keep records of all Pensions Advisory Service cases on behalf of the Authority. Deal effectively, communicate well, and cooperate fully with, and keep records of Pension Ombudsman cases where the complaint relates to the Supplier's administration of the Scheme and decisions taken on behalf of the Authority Provide proactive and effective support where an issue requires the Authority to respond to cases involving a court, tribunal, the Pension Ombudsman, or any other legal or regulatory bodies. Demonstrate robust and effective quality assurance processes for all correspondence and complaints. Ensure arrangements for analysing the cause and effect of both legal and correspondence complaint cases are robust and result in action being taken to ensure appropriate changes and improvements are made where appropriate.
CA22	Process cases involving serious ill health both promptly and sensitively, in particular, where considering commutation of benefits, on the grounds that life expectancy is less than one year.
CA23	Have in place effective systems to promptly and proactively identify where continuing entitlement to benefits has ceased, and, thereafter, stop, suspend, or reduce benefits in accordance with the Regulations and other relevant legislation.
CA24	Work with the Authority to determine whether the relevant pension should be withheld or forfeited as a result.
CA25	Deal effectively and punctually with applications for transfers-in of pension rights accrued in a former pension scheme during previous employment.

Ref.	Requirement
CA26	Deal with applications for the transfer-out of pension rights accrued in the Scheme to a scheme, which is able and willing to accept the transfer value, which any previous Scheme Member has joined since leaving pensionable employment in the Scheme. The transfer value is to be calculated and paid in accordance with overriding social security legislation, Public Sector Club Transfer rules, or, where applicable, in accordance with the terms of the Regulations.
CA27	Provide information, estimates and support to the Authority, Members, prospective Members, Employers, actuaries, and others involved in bulk transfers and complete bulk transfers where it is appropriate to do so.
CA28	Deal with cases involving miss-sold pension plans by determining the Member's eligibility to reinstate, liaising with the Teacher and any personal pension provider involved, and, where appropriate, calculating the cost of re-instatement and reinstating service on receipt of payment.
CA29	Provide the Authority's appointed Supplier of the TAVC Scheme with details of a Member's Scheme service record where the Member is claiming that the TAVC Scheme was miss-sold to them.
CA30	Review relevant cases in accordance with the Crombie Compensation Regulations to determine continued entitlement, and, as appropriate, recalculate and adjust compensation payable. Support the Authority in addressing any cases where a Member disputes a change in benefits, including through attendance of any Employment Tribunal hearings due to take place in order to assist the Authority and its representatives.
CA31	Provide a service on request to relevant Employers (for example but not limited to, local authorities, sixth form colleges, schools, independent schools, etc) acting as an agent to pay mandatory and/or where appropriate discretionary compensation under the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 2015 to Teachers on repayment of cost, or, where appropriate, on receipt of a sum equal to the actuarial value of the total compensation payable.
CA32	Comply with all financial requirements, as per section 11, in respect of payments in accordance with the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 2015.
CA32A	During the Term, the Supplier shall create and maintain a true, accurate, full and up to date record of all calculations (including mathematical formula) and re-calculations relating to the administration of the Scheme, to the payment of benefits and

Ref.	Requirement
	any adjusted payments to eligible individuals (including Members, credit Members and Beneficiaries) in accordance with the Regulations (including the different Scheme arrangements) (the "**Calculation Records**") and promptly provide copies of such Calculation Records to the Authority (at no additional cost to the Authority) at the request of the Authority.

2.4 Core Administration Systems

CA33	Provide a technological solution that meets Good Industry Practice and the Standards, as outlined in Schedule 2.3 (*Standards*) which supports the delivery of core administration requirements in an effective, systematic, consistent, and controlled manner.
CA34	Using the Authority's IT systems provide live access of current information to: • Administration systems that will enable individual Teacher records to be viewed and interrogated; • View or inspect any data or information held on databases; • Real time management information, including data on performance, workflow, Scheme activity and trends; • Self-serve systems and systems that are able to run ad-hoc reports; and • All documents required by the Authority in relation to the Scheme, e.g., Authority replies to correspondence, posted to these systems. This access is to be provided at no cost to the Authority and will include on-going support, maintenance, and training as required.
CA35	Provide assurances and management information to demonstrate to the Authority that outputs (e.g., calculations, benefit awards, decisions, and responses to correspondence) produced by the administration processes and IT systems are accurate, up to date, and appropriate. Ensure that assurance activities and the provision of management information are carried out by appropriate resource on a timely basis. Ensure that the outcomes are recorded, subsequently

	validated, and reflected across other systematic business processes. Ensure that any necessary changes/actions/lessons learnt within the outcomes are implemented across the business. This should include implementing the outcomes of the audit activity that responds to section 7.4. Ensure that records are linked where the same individual is recorded so that changes can be applied to all records for an individual at the same time.

3 Employer Engagement

Employers are a key stakeholder whilst also having a central role in supporting the administration of the Scheme. The Supplier will engage proactively, innovatively, and effectively with Employers to deliver the service and the wider objectives of the contract. Engagement needs to be tailored to the individual Employers' needs, using information from contact with them. The Supplier will encourage and support Employers to understand and use the Scheme and its provisions to help their own workforce planning and assist their staff in pension and retirement planning (as part of managing their careers).

The Supplier will work collaboratively with the Authority to produce, implement, and maintain an Employer Engagement Strategy (EES) and Employer Engagement Plan (EEP), to be delivered over the life of the contract. The EES and EEP will set out the strategy, aims, objectives and plans that the Supplier will deliver to ensure that Employers understand and are equipped to carry out their statutory functions, to support their workforce planning and support Members in retirement and pension planning. The EES and EEP must ensure that the needs of all types and sizes of Scheme Employers are considered and catered for, that plans are scalable to meet possible further expansion in the numbers and range of Scheme Employers and have in place measures to assess the impact in achieving their objectives. Innovation particularly aimed at improving Customer experience, fully utilising a wide range of suitable channels, media and driving cultural change should be at the heart of both the strategy and the plan.

The Supplier will be required to:

Ref.	Requirement
EE1	Produce, implement, and maintain on an annual basis an effective EES that will meet the agreed aims and objectives to be delivered on Employer engagement, throughout the life of the contract. The EES will set out the strategy for achieving these aims and objectives over the life of the contract. The aim of the EES is to enhance the profile of the Scheme amongst Employers so that they value and maximise their use of the Scheme. The core objectives are: • Continuously improve Employers' understanding and compliance with their role and responsibilities to administer and promote the Scheme. • Ensure roles and responsibilities reflect who is best placed to deliver them (i.e., the Employer or the Scheme administrator) and that this is regularly reviewed. • Support Employers so that they are able to carry out their obligations to Members, including through liaison with payroll Suppliers or other relevant third parties where appropriate.

	• Recognise good practice by Employers, take steps to spread details of it to others, and ensure the checks and controls placed on Employers take account, where possible, of that good practice/reputation – i.e., make sure controls are proportionate to Employer performance. • Achieve efficient and effective administration of the Scheme. • Continuously improve Employers' understanding and use of Scheme flexibilities to support their workforce planning, particularly in areas of recruitment and retention, and extending working lives. • Continuously improve the recognition and appreciation by Employers of the value of the Scheme. • Continuously improve the engagement and support that Employers provide to Members on pension and retirement planning, making it the norm that Employers provide Teachers with support and are clear about the benefits of doing so, leading to an increase in the effective use of Scheme provisions. • Ensure services can be accessed online, in accordance with the Government's agenda, whilst effectively utilising a range of media and online communication channels and techniques which have strong principles that shape open and honest relationships and suits the wide range of audiences. • Provide opportunities for Employers and their representative groups to shape engagement arrangements. • Identify and reach out to Employers who do not appear to be/are not effectively engaging with the EES, the Scheme or the administrator.
EE2	Develop, implement, and maintain an EEP, which sets out in detail the activities, timescales, resourcing requirements, benefits, outcomes, and targets to be delivered to achieve the aims and objectives in the agreed EES, and how these will be measured.
EE3	Ensure that the EEP and EES meet the needs and expectations of the Authority, stakeholders such as the TPSPB, the TPSAB, and Employers, using effective partnership working principles.
EE4	Have in place procedures and resources to effectively manage and implement the EES and EEP deliverables.
EE5	Report progress to the Authority, the TPSPB, Employers, Employer representatives and where appropriate other stakeholders such as TPSPB upon implementation of the EES and EEP. Review the impact of the EES and EEP to identify whether deliverables are achieving the desired outcomes.

EE6	Ensure appropriate review procedures are in place and that the EES and EEP continue to evolve over the life of the contract, reflecting changing circumstances and experience gained through implementation of the EES and the EEP.
EE7	Provide a technological solution, in accordance with Authority, governmental and industry standards, to support the delivery of the objectives and deliverables within the EES and the EEP that: • Is self-explanatory and informative. • Allows on-line access. • Communicates and supports in a way that suits the individual organisations. • Uses and collates data that facilitates for greater personalisation of the service to Employers and Members. • Has the facility for Employers to seek additional guidance as required. • Uses assistive technologies as appropriate and is delivered in a format that is easy to use across multiple platforms and devices. • Support all forms of operating software, such as, but not limited to, Microsoft Windows, Apple Mac OS, Android OS, and these across a multitude of devices, such as, smartphones, laptops, tablets, and any other form of digital display hardware. • Utilises a range of channels and media. • Facilitates the agreed reporting of Employer usage and engagement for the Authority. • Considers, and as deemed appropriate, utilises the Authority's Employee Authentication Service (EAS). • Is reviewed and evolves to keep pace with technological and other advances throughout the life of the contract.

4 Member Engagement

It is essential that the Scheme is valued and utilised effectively by all of its Members and potential Members; including active, deferred and pensioner Members. The Supplier will implement solutions to promote membership and engagement, emphasising the Scheme's value and benefits to its Members, which in turn will support the delivery of the Government/Authority policies, in particular the recruitment and retention of Teachers. The specific requirement concerns the Supplier's effective engagement with Members using an appropriate variety of means, media, and formats, to ensure that Members are knowledgeable about the Scheme, value the benefits available, and know about the methods which can be used to access those benefits. Engagement methods and plans must recognise and address the challenges involved in driving better understanding (e.g., getting people to engage early in their career and maintaining that engagement) and the needs of Teachers as a profession (e.g., that they are busy, focussed professionals who need information in a format suited to them that is engaging, concise, and appropriate).

The Supplier will work collaboratively with the Authority to produce and implement a Member Engagement Strategy (MES) and Member Engagement Plan (MEP), to be delivered over the life of the contract. The MES and MEP will set out the strategy, aims, objectives and plans that the Supplier will deliver to promote pension awareness and planning, the Scheme and its provisions with Members. Innovation particularly aimed at improving Member experience, fully utilising suitable channels, media, and portals, facilitating a cultural shift where digital/application-based transactions and communications are the norm, should be at the heart of both the MES and MEP. Both will have arranged measures to assess the impact of the strategy in achieving the overarching engagement aims / pension planning / knowledgeable Member policies.

The MES should include methodology to collate and process data in order to ultimately assess the effectiveness of the MES; inform thinking on the Authority's recruitment and retention policies; and better tailor interaction with Members to their needs i.e., the provision of the right information, in the best format, and at the right time.

The Supplier will be required to:

Ref.	Requirement
ME1	Produce, implement, and maintain an MES that determines the aims, objectives and benefits that will be delivered in order to: • Enable Members and their representatives to shape the information and engagement arrangements that are in place for them. • Ensure the service proactively engages with Members, from the earliest possible stage and on an ongoing/regular basis thereafter, so the service is not reliant on Members to

	instigate engagement through application or general query. • Promote the Scheme, its provisions and benefits with Members so that there is considered and effective use of the Scheme by Members. Ideally providing proactive targeted communications that give details relevant to a Member's current pension saving position and their particular circumstances. • Enable and encourage a Member to access relevant further information about, and make use of, their Scheme provisions and benefit levels, giving a sense of ownership to the Member. • Increase Member awareness of pensions in general, to encourage Members to actively consider their wants and needs in retirement and enable them to effectively plan for their future. • Provide a service that is valued by all Members, responding to their personal circumstances and helps support them in their decision-making process. • Give access to information ensuring that Members and Employers can engage effectively on issues relating to effective pension and workforce planning complementing mechanisms/activities implemented under the EEP. • Ensure Members can access up-to-date information on their own pension saving position and utilise that in their pension planning. • Recognise that different types of Members may need different levels of support. • Ensure services can be accessed, in accordance with relevant equality legislation. This will include compliance with the accessibility regulations as set out in Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018, and with the Government's digital agenda. At the same time the Supplier is to effectively utilise a range of media, formats, portals and communication channels and adopt strong principles that shape open and honest relationships and suit the wide range of audiences.
ME2	Develop, implement, and maintain an MEP, which sets out in detail the deliverable activities and timescales, with associated measurable outcomes, targets, and quality measures, to achieve the aims, objectives, and benefits of the MES. The MEP activities will align with the Communication section of the requirement.
ME3	Ensure that the MES and MEP meet the expectations of the Authority, TPSPB and Members, including vulnerable Members (who will be the final users/recipients of outcomes).
ME4	Have in place effective procedures and resources in order to

	effectively manage and implement the MES deliverables.
ME5	Report progress to the Authority, TPSPB and TPSAB on implementation of the MES and MEP. Demonstrate whether planned deliverables are achieving the desired outcomes/benefits. Propose recommendations for altering/enhancing the MES and/or MEP to resolve any deficiencies.
ME6	Ensure that the MES and MEP are reviewed and continue to evolve over the life of the contract, to reflect changing circumstances and experiences gained through implementation of the MES and MEP.
ME7	Provide a technological solution, in accordance with Authority, Governmental and Industry Standards, to support the delivery of the objectives and deliverables within the MES and the MEP that: • Allows Members to have seamless access. • Is self-explanatory and informative. • Has the facility for Members to seek additional information as required, such as personalised estimates. • Uses assistive technologies as appropriate, such as online calculators, delivered in a format and range of media that are easy to use from multiple platforms. • Support all forms of operating software, such as, but not limited to, Microsoft Windows, Apple Mac OS, Android OS, and these across a multitude of devices, such as, smartphones, laptops, tablets, and any other form of digital display hardware. Facilitates the monthly reporting of Member usage and engagement for the Authority • Is innovative, frequently reviewed and evolves to maintain equal pace with technological advances throughout the life of the contract. • Is secure and compliant with National Cyber Security Centre (NCSC) standards for handling Government information.

5 Communications

The Supplier will be required to implement and use a range of innovative and effective channels and media to initiate and effectively manage communications with all Customers to support the delivery of services under this Statement of Service Requirements.

The expectation is that there will be a focus on digital communications, to facilitate the best possible service to Members, but the overall mix of communications must enable Members to access and use their channel of choice. Within that, availability of the various channels and support mechanisms for them must recognise Teachers' needs and good practice within and beyond the pensions industry.

In particular, communications should ensure the Scheme is valued by Members and Employers and is able to aid recruitment and retention of an effective teaching workforce.

The Supplier will be required to:

Ref.	Requirement
C1	Make available: • A suitable mix of communication channels to enable Members and Employers to effectively communicate with the Supplier how and when they want to. • The channels will be responsive to demand (both in terms of volume and when Members will want to/are able to contact the service) and the characteristics of the differing Customer groups, including ensuring the needs of vulnerable Customers are met. Respond to: • Communications in a timely, accurate way, in a manner and format to meet the Customer's needs and which encourages ongoing engagement. At all times, any form of communication must comply with: • Standards agreed with the Authority and the requirements of relevant legislation. • Including but not limited to the Financial Services and Markets Act 2000 (as amended). • The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations and the UK GDPR.

	There should also be: • A clear synergy across all communication types, to ensure consistency of messaging and style across all communications with stakeholders and help to drive engagement and understanding.
C2	Communicate effectively with the appropriate authorities currently including Home Office, the TRA and the EWC to ensure only those applicants entitled to receive retirement benefits do so.
C3	Ensure effective communications with partners who have a key interest, or are directly involved in the administration of the Scheme, including but not limited to: • DBS, Her Majesty's Revenue and Customs (HMRC), Department for Work and Pensions (DWP), Government Legal Department (GLD), National Audit Office (NAO) or its appointed auditor, the Scheme actuary, and other Government Departments. • TRA and EWC. • The Authority's appointed TAVC Scheme contractor. • Teachers and their representatives. • Employers and their representative associations. • The Authority's appointed medical adviser. • Software contractor. • Payroll contractors. The Supplier is required to facilitate the provision of the services by co-operating with the Authority's relevant contractors including by: • Attending liaison meetings with other contractors. • Interfacing the services provided under this Agreement and the services provided to the Authority by other contractors. • Providing to other contractor's relevant information regarding the services.
C4	The Supplier must design and implement their solution, i.e. their IT/administration system, in such a way as to allow the medical advisors to interface with and use the Supplier's system, at no cost to the Authority and/or the medical adviser. The purpose is to allow efficient and timely access to all relevant evidence and information to allow the medical adviser to assess applications and appeals for ill health retirement benefits and submit a recommendation to the Supplier.

	The Supplier will provide ongoing support and maintenance relating to the interface and, if required, an explanation of how to use the interface and navigate around the screens within the Supplier's system. For the avoidance of doubt, the medical advisor will have or obtain the infrastructure necessary to access the internet, including but not limited to suitable bandwidth for any broadband connections.
C5	All e-mail communications will use the format: forename.surname@Teacherspensions.co.uk All web-based services to be delivered via: www.Teacherspensions.co.uk
C6	Ensure that all communications adhere to Scheme branding guidelines, as set out by, and amended by the Authority. Have in place measures to review the Scheme branding guidelines, recommend improvements, and implement any changes as and when agreed with the Authority.
C7	Ensure equality of access to all services, including meeting the special requirements of all Customers in accordance with relevant equality legislation to include compliance with the accessibility regulations as set out in Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 and meet the Authority's DfE equality-and-diversity.
C8	As the scheme operates across England and Wales, the Supplier must provide a service to Welsh speakers in accordance with the terms of the Authority's Welsh Language Scheme, which includes: • Responding to telephone and written enquiries within the same timescales as practiced when communicated in English. • Providing literature in Welsh in accordance with the DfE Welsh Language Scheme. **DEPARTMENT FOR EDUCATION AND SKILLS** **Welsh Language Scheme: 2006** **Introduction** Under the Welsh Language Act 1993 every public body providing services to the public in Wales has to prepare a scheme setting out how it will provide those services in Welsh. This is our scheme. It describes how we will give effect, so far as is both appropriate in the circumstances and reasonably practicable, to the principle established by the Welsh Language Act that, in the conduct of public business and the administration of justice in Wales, the

Welsh and English languages should be treated on a basis of equality.

The scheme covers the services that we provide to the public in Wales.

In this scheme, the term public means individuals, legal persons and corporate bodies. It includes the public as a whole, or a section of the public, as well as individual members of the public. The term includes voluntary organisations and charities. Directors and others representing limited companies are also within the meaning of the term 'public'. It does not, however, include persons who are acting in a capacity which is representative of the Crown, Government or the State. Consequently, persons who fulfil official functions of a public nature, even though they are legal persons, do not come within the meaning of the word public when they are fulfilling those official functions.

Further information about the scope and purpose of Welsh language schemes can be found in the Welsh Language Board's guidelines (www.Welsh-language-board.org.uk).

This scheme was prepared under Section 21 of the Act - and in accordance with guidelines issued by the Welsh Language Board under Section 9 of the Act. It came into effect on 11/9/06.

Background to the organisation

Following the General Election in June 2001 a new Department for Education and Skills was established with the purpose of creating opportunity, releasing potential and achieving excellence for all.

The Department comprises seven Directorates and a number of Non-Departmental Public Bodies (NDPBs), which either have their own schemes, will set up their own schemes in due course, or will adhere to the Department's Scheme.

The Department continues to be responsible in England and Wales for: Investors in People; Sector Skills Councils; Teacher Misconduct; Teachers Pay & Conditions of Service; and Teacher Pensions.

Our staff are located at offices in London, Sheffield, Darlington and Runcorn. The Department's website address is: http://www.dfes.gov.uk/ Our contact details can be found at the end of the scheme.

Service planning and delivery
Policies and legislation

Our policies and services will be consistent with this scheme. They will support the use of Welsh and will, whenever possible, help the public in Wales use Welsh as part of their day to day lives.

The Department has a strategic role in respect of its NDPBs and will draw their attention to their responsibilities under their own schemes/DfES' Scheme at the outset of the policy making process and prior to implementation of new programmes.

Working relations between the Department and the National Assembly for Wales are governed by the Devolution Memorandum of Understanding which comprises a series of agreements between the UK government and the devolved administrations, setting out the principles which underlie relations between them. The Department also has an agreed and published bilateral concordat with the National Assembly for Wales.

Delivering services

We will ensure that as many as possible of our services are available in Welsh – and we will let the public know when they are.

Our regulatory functions – and services undertaken on our behalf by third parties

Some of the services that the Department provides in connection with its responsibility in Wales are carried out for it by other organisations such as agents, consultants and contractors (including voluntary and other bodies). Where these services are carried out by NDPBs, Agencies, or contractors, the Department will draw their attention to their responsibilities under their own schemes, or where they have no scheme, to their responsibilities under the DfES Scheme.

NDPBs sponsored by the Department generally carry out prescribed functions within Government guidelines, e.g. the SLC and student finance matters. They typically have their own separate identity under specific statute. It is fixed Government policy to undertake, in consultation with HM Treasury and the Cabinet Office, a comprehensive review of each NDPB on a five year cycle.

We shall encourage such organisations to consider the Welsh language at the outset of the policy making process and prior to implementation of new programmes. In cases where statutory responsibility for, and control of, delivering the services remains with the Secretary of State:

- We shall ensure that these organisations follow the terms of

the DfES Scheme where it is relevant to the services they are providing on our behalf (or to any services they sub-contract);

- When we put services out to contract, we shall include specification for DfES' requirements for the use of Welsh (where relevant);
- These organisations will be required to report on their compliance with the terms of this Scheme.

Standards of quality

We shall deliver an equally high quality service in Welsh and English, and adhere to Departmental standards in this respect. We shall monitor our performance against this standard, and publish results in our Annual Report - a copy of which will be sent to the Welsh Language Board each year. We shall also monitor and report on the performance of those organisations which fall within the ambit of DfES' Scheme.

Dealing with the Welsh speaking public
Correspondence

Our normal practice will be as follows:

When someone writes to us in Welsh we will issue a reply in Welsh (if a reply is required). Our target time for replying will be the same as for replying to letters written in English.

If the Welsh and English versions of any correspondence have to be published separately, our normal practice will be to ensure that both versions are available at the same time.

Enclosures sent with bilingual letters will be bilingual, when available.

Enclosures sent with Welsh letters will be Welsh or bilingual, when available.

The above will apply to e-mail correspondence as well as paper correspondence.

All hard-copy Welsh correspondence that we issue will be signed.

We will use a scoring system, to be agreed with the Board, to identify objectively any standard or circular correspondence which need not be published in Welsh, or bilingually (for instance, when the correspondence is very technical or lengthy).

Telephone communications

Because of our location it would not be practicable for us to conduct telephone conversations in Welsh. However, when we set up telephone help-lines, or similar facilities, to give information, services or support to the public in Wales we will provide a Welsh language service. This will be advertised alongside the English language service. Both services will share the same telephone number.

Public meetings

We will provide simultaneous translation from Welsh into English at our public meetings unless we have established that all participants are likely to use the same language.

Invitations and advertisements for public meetings will be bilingual and either note that translation facilities will be available or invite the public to let us know in advance in which language they wish to speak.

We will let those attending public meetings know when translation facilities are available – and encourage contributions in Welsh and English.

Our normal practice will be to provide papers and other information for public meetings in Welsh and English – and for reports or papers produced following public meetings to be published in Welsh and English.

Other meetings with the public in Wales

Because of our location it would not be practicable for us to conduct face-to-face meetings with the public through the use of Welsh.

Our public face
Publicity campaigns, exhibitions and advertising

- Advertising and Publicity activities in Wales will be conducted in both English and Welsh.
- Advertisements placed in newspapers distributed mainly or wholly in Wales will be bilingual (or will be in Welsh only in the case of Welsh language publications). English and Welsh versions will appear simultaneously, and be equal with regard to size, prominence and quality.
- Outdoor advertising conducted in Wales will be in Welsh and English.
- Where a telephone helpline forms part of a campaign that is applicable to a Welsh speaking audience, DfES will ensure that a Welsh language service is offered. The availability of

such a service will be made clear in any associated publicity.

- Surveys sounding out the general public in Wales will be conducted in both English and Welsh.
- Exhibition and public information stands in Wales will be in both English and Welsh.
- Television, cinema and radio advertising will be conducted in Welsh and English. Television campaigns which appear on S4C during Welsh programming hours will be in Welsh. Radio campaigns broadcast during Welsh language programmes on commercial radio stations will be in Welsh.

Publishing and printing material directed at the public in Wales (including forms and associated explanatory material)

Our normal practice will be to publish material made available to the public bilingually, with the Welsh and English versions together in one document.

If the Welsh and English versions have to be published separately (for instance, where a single document would be too lengthy or bulky), both versions will be of equal size and quality - and our normal practice will be to ensure that both versions are available at the same time and are equally accessible. Each version will note clearly that the material is available in the other language.

We will use a scoring system, to be agreed with the Board, to identify objectively when material should be published as separate Welsh and English versions or as bilingual documents.

If not available free of charge, the price of a bilingual document will not be greater than that of a single language publication - and the price of separate, Welsh and English versions will be the same.

The above will also apply to material made available electronically on our website, on CD Rom or otherwise.

Where documents are produced separately in English and in Welsh, there will be no difference in price to the purchaser. Where NDPBs deliver services on its behalf, DfES will draw their attention to their responsibilities under either their own scheme(s) or the DfES' Scheme, as appropriate. Staff, consultants, designers and publishers will be issued with guidance for dealing with bilingual publications.

Websites

When designing new websites or redeveloping our existing websites, we will take into account the Welsh Language Board's guidelines on website design.

Our websites will include content in both Welsh and English.

Our normal practice will be to provide Welsh versions of the fixed navigational and/or interactive information on our websites.

Whenever we post English language publications on our websites, the Welsh versions, if available, will be posted at the same time.

We will prepare a programme, to be agreed with the Welsh Language Board, setting out how we will increase the Welsh language content of our website over time.

We will ensure that the following appear on the DfES site:

- DfES' Welsh Language Scheme
- Welsh language versions of material appearing on the Internet where Welsh language versions have been produced of the hard copy equivalent
- The DfES Annual Report on its Welsh language measures

Official notices, public notices and staff recruitment notices

Any public/official notices or recruitment advertisements that appear in the Welsh media will appear in both Welsh and English, be shown together and be equal in terms of format, size, quality, legibility and prominence.

Press releases and contact with the media

Press releases to the press and broadcasting media in Wales will be issued in Welsh and English where deadlines permit - or according to the language preference of the recipient media organisation or publication.

Implementing the scheme
Staffing

We have no offices in Wales. Even so, we will seek information about the Welsh language skills of job applicants and existing staff. This is discussed under Recruitment, below.

Recruitment

For any posts having extensive and regular contact with the public in Wales we will consider whether fluency in Welsh should be a

desirable or essential skill – and this will be stated in job competencies and advertisements.

Language training

We will support and fund training for staff who, as part of their duties, have extensive and regular contact with the public in Wales – and who wish to learn Welsh, or improve their Welsh.

We will allow staff to attend courses during work.

Vocational training

Whenever practicable, we will provide vocational training in Welsh to develop the ability of staff who, as part of their duties, have extensive and regular contact with the public in Wales.

Internal arrangements

The measures in this scheme carry the full authority, support and approval of our organisation.

Managers will have the responsibility of implementing those aspects of the scheme relevant to their work.

The scheme will be publicised to our staff, and to the public in Wales. It will be published on our website in a prominent place.

We will produce guidance, for our staff to ensure that they know how to implement the measures contained in this scheme.

We will ensure that we use only qualified translators or interpreters to help with the delivery of this scheme.

Senior Officer Responsible

Tina Haslam, Divisional Manager, Public Affairs Division, Department for Education and Skills, Sanctuary Buildings, Great Smith Street, London SW1P 3BT.

Performance Measures

The Department will ensure, via its Public Affairs Division, that its performance, and the performance of those who provide or administer services on its behalf, in meeting all of the commitments made in this Scheme is regularly monitored against the following criteria:

- the possible need to make provision for Welsh speakers at the outset of new policies or prior to the implementation of

	new programmes; • the need for Departmental standards to be adhered to, whether correspondence is in English or Welsh; • the need for NDPBs to adhere to either the Department's Scheme, or their own schemes; • the need to monitor the introduction of bilingual publications, forms, notices and other published material; • the need to monitor the provision and administration of services by DfES' agents and contractors to ensure compliance with this Scheme; and • the need to monitor complaints/comments about the service. **Monitoring** We shall provide the Welsh Language Board with an annual report which will describe progress on implementation against the timetable and standards contained in this Scheme. We shall also provide an analysis of the number and nature of complaints and suggestions from the public. **Reviewing and amending the scheme** We will review this scheme within four years of its coming into effect. Also, from time to time, we may need to review this scheme, or propose amendments to this scheme, because of changes to our functions, or to the circumstances in which we undertake those functions, or for any other reason. No changes will be made to this scheme without the Welsh Language Board's approval. **Complaints and suggestions for improvement** Members of the public in Wales who wish to complain, or comment on the Department's application of its Welsh Language Scheme should contact: The Public Communications Unit, Department for Education and Skills, PO BOX 12, Runcorn, Cheshire WA7 2GJ. We shall aim to respond to all comments and complaints in line with Departmental standards. Or by e-mail to: info@dfes.gsi.gov.uk.
C9	Produce the appropriate management information, as agreed with the Authority, from all the communication media that allows the business and the Authority to : • Monitor the type of activity and queries.

	• Continuously improve the quality of services provided throughout the life of the contract. • Identify educational or training needs of staff, Customers, and stakeholders. • Inform the Member and Employer engagement strategies and solutions. • Collate feedback to inform policies. • Target information/personalise the service to Members or groups of Members thereby improving the Customer experience. • The above list is not exhaustive.

6 Service Innovations and Continuous Improvement

The Supplier is to provide an innovative and continuously improving service throughout the life of the contract with the aim of ensuring the Scheme continues to be the best and most cost-effectively run of all the public service pension schemes, as demonstrated consistently by benchmarking.

In addition to its obligations under Clause 8 (Services Improvement), the Supplier will be required to:

Ref.	Requirement
SI&CI1	Within three (3) months of the Implementation Services Commencement Date, develop and submit to the Authority for approval a Service Innovation and Continuous Improvement Strategy (SIS) that meets the requirements of SI&CI1. Following the approval of the SIS by the Authority, the Supplier will implement and maintain the SIS throughout the Term and will submit an updated version of the SIS to the Authority for approval every three (3) months starting three (3) months from the Implementation Services Commencement Date. Set out how the Supplier will continuously improve all services and proactively innovate to develop and enhance the delivery of the services. Ensure the Authority, the Supplier, and Customers mutually benefit from the opportunities provided by changes and innovations in, for example: • Pensions industry practice. • Practice in other industries or wider parts of the Supplier's business that could be applied to the services. • Relevant technologies. • Quality, responsiveness, and performance mechanisms. • Business processes, including efficiencies, productivity gains or reduction of operational risk. • Managing Customers' needs and expectations. The SIS will set out how the Supplier will develop the services to the benefit of all Customers, in particular by putting Members and Employers at the heart of the Service. The SIS will also set out how the Supplier will identify innovations and set out proposals for service enhancements which - although they may not directly benefit the Supplier - will provide benefits for the Authority, Members, Employers, or other stakeholders.

	Including how the Supplier will use data from Scheme experience and feedback from Customers in identifying potential improvements.
S&CI2	Within three (3) months of the Implementation Services Commencement Date, develop and submit to the Authority for approval a Service Innovation and Continuous Improvement Plan (SIP) that sets out in detail the activities, timescales, benefits, outcomes, and targets to be delivered to achieve the aims and objectives in the agreed SIS, and how these will be evaluated. Following the approval of the SIP by the Authority, the Supplier will implement and maintain the SIP throughout the Term and will submit an updated version of the SIP to the Authority for approval every three (3) months starting three (3) months from the Implementation Services Commencement Date.
SI&CI3	Ensure that they proactively identify and develop the SIS and SIP to meet the needs and agreed expectations of the Authority, the TPSPB, Employers and Members, and is complementary to and consistent with the Employer and Member Engagement activities.
SI&CI4	Have in place procedures and resources to effectively manage and implement the SIS and SIP deliverables.
SI&CI5	Report progress to the Authority, TPSPB and TPSAB on implementation of the SIS and SIP. Review the impact of the SIS and SIP to identify whether deliverables are achieving the desired outcomes and action plan for addressing any failures to deliver the desired outcomes.
SI&CI6	Ensure that the SIS and SIP continue to evolve over the Term, to reflect the changing circumstances and experience gained through their implementation.

7 Governance

7.1 Relationship and Contract Management

It is essential that the Supplier develops and maintains a relationship with the Authority that supports an effective partnership arrangement. One which drives the administration forward from a strategic perspective, and provides assurances to the Authority, the TPSPB, and wider stakeholders throughout the administration.
Whilst the Authority will hold the Supplier to account for administrative performance the overall objective is one of a partnership arrangement whereby both parties come together to: set challenging and ambitious direction for the Scheme; ensure all arrangements are effective and well managed; manage risk by anticipating and seeking to address issues proactively; swiftly and effectively address issues that materialise; identify and build on best practice; and celebrate successes.
The partnership approach will be embodied by all those involved in delivering the Scheme. That being those involved in day-to-day delivery through to senior and executive stakeholders who are primarily engaged in over-arching Scheme issues and strategic direction.
The Supplier is required to:

Ref.	Requirement
RCM1	Pro-actively strive to establish, build, and maintain effective working relationships across both organisations. Ensure effective risk management and partnership working is demonstrated and measured, and 'day-to-day' relationships are well established within the Authority's Pensions Teams in order to facilitate effective delivery of the services under this contract. Have in place effective management structures, staffing, and arrangements to ensure the proper delivery of the services. Have named individuals identified who have authority to take all strategic and day-to-day operational decisions regarding the provision of the services. Ensure that, within the management structure, there is a named individual at executive level with the authority to: make over-arching decisions regarding the delivery, and strategic direction, of the services; and, address any issues relating to the delivery of the services including any arising from the Supplier's wider business. Arrangements are to be in place for the named individual to meet regularly, and at the least termly (i.e., three (3) times a year), with the Authority's Senior Responsible Office ("**SRO**") for the Scheme, to discuss strategic and overarching issues relating to the delivery of the services; including, where appropriate, matters escalated from the quarterly meetings of senior officials/representatives. Such termly meetings are to be held using appropriate virtual or

	distanced communication methods, or at locations, as agreed by the Authority.
RCM2	Arrange, attend, and contribute effectively to quarterly meetings between the Parties at a senior level to discuss strategic and fundamental issues relating to the provision of the services; including any matters escalated from the monthly operational meetings. The quarterly meetings are to be held using appropriate virtual or distanced communication methods, or at locations, as agreed by the Authority. The Authority will chair these meetings. The Supplier will provide secretariat for these meetings.
RCM3	Arrange, attend, and contribute effectively at (as a minimum) monthly operational meetings to ensure that: • The Authority is fully briefed on all information material to the provision of the Service(s); • The Authority is assured about the effective management of delivery risks - including those relating to the calculation and payment of pensions, Scheme finances, and security; • The Authority is able to self-serve to assess performance against agreed Performance Indicators; • The meetings add to the successful and efficient operation of the service, including through discussion of the Supplier's performance and resolution of issues relating to the delivery of Service under this contract; and • Any potential disputes are identified and discussed at an early stage, with the aim of avoiding the need for action under the formal dispute resolution procedures. The Authority will chair these meetings and the Supplier will provide secretariat.
RCM4	Attend and contribute effectively to the meetings of the TPSPB and its sub-committees (quarterly) and the TPSAB (termly), both of which are to be held at locations, virtual or otherwise, agreed by the Authority. Sub-committee meetings and other ad hoc meetings such as TPSPB member induction may take place at the Supplier's premises. Meetings will ensure: • The TPSPB has sufficient information and support to carry out its role in providing additional assurance about the effectiveness of Scheme administration and input on the strategic direction of the Scheme. The Supplier is required to contribute to Authority produced papers. The Supplier is required to produce papers and presentations to assure the TPSPB that all aspects of the administration are fit for purpose. • The TPSAB has sufficient information and support to provide the Secretary of State for Education with advice on policy matters referred to it, and in considering other issues it reviews.

	• Any potential areas of concern are addressed at an early stage without the need for further escalation. • The TPSPB and TPSAB and their meetings contribute to the successful and efficient provision of the services. These meetings will be arranged by the Authority and be chaired by TPSPB Members or the Authority.
RCM5	Provide comprehensive management information on all aspects of the delivery of the service to the Authority through live access to current data and reporting at such frequency and format agreed by the Authority, together with an informative narrative on the delivery of the contract. This is to include, information on performance against Service Levels, Outcome Measures, and other Key Performance Indicators, to ensure that the Authority's contract manager has current information upon which to assess the effectiveness of all key aspects of Scheme administration and the overall performance of the Supplier. Provide comprehensive management information, to the Authority through live access to current data, and reporting at such frequency and format as agreed by the Authority, in respect of the implementation and delivery of quality management arrangements and processes. The information must demonstrate to the Authority that: • overall contracted service requirements are delivering the required high-quality service to all end users/ and • services primarily focus on meeting and satisfying Customer experience (rather than implementing solutions that only assist internal administration processing - nonetheless, solutions which benefit all parties are indeed preferrable).
RCM6	Proactively work in partnership with the Authority to determine and deliver the strategic direction of the Scheme, specifically in relation to policy and administration matters. Holding effective discussions with the Authority to: • determine, and monitor delivery against, strategic objectives for the Scheme; • consider Scheme data, trends, and experiences, and what impact they potentially hold for future strategy; • look at emerging practices and issues affecting the pensions industry, public service, other pension schemes, and the education sector to identify opportunities, risks, and issues which need to be considered within the Scheme strategy and its objectives; and • discuss any other issues of relevance to the strategic direction of the Scheme. Provide insight and analysis to support these discussions, which covers both known developments and potential developments

	('horizon scanning').
RCM7	Provide regular training and background information to staff within the Authority on systems, non-Scheme regulations, new developments in the pension industry and so on, to enable them to understand the Scheme provisions and administration in order to effectively carry out their duties.
RCM8	Ensure the Authority has access to key individuals who are able to respond to urgent requests and enquiries during both normal working hours and hours outside of the same.

7.2 Business Continuity and Disaster Recovery

The Supplier is required to be able to facilitate the ongoing provision of pension administration services, including all operations and business processes, in the event of main service disruption(s) and/or failure(s).

The Supplier shall ensure there is minimal disruption to service(s) in the event of a disruption, failure, or disaster.

As a minimum requirement, the Supplier will ensure the provision of services supporting the delivery of pension administration services meets the Contractual Terms.

The Supplier will be required to:

Ref.	Requirement
BC1	Set out and establish a business continuity and disaster recovery solution for the Scheme in accordance with industry and security standards. The Supplier is required to test its business continuity and disaster recovery capabilities and report the outcome to the Authority in accordance with an agreed timetable and format (in accordance with Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*)).

7.3 Exit Transition Plan

The Supplier is required to conform to the NCSC HMG Infosec Standard 5 HMG standard IA5 and the DfE decom policy. The Authority also requires the Supplier to comply with the Standards, as set out in paragraph 12 of SCHEDULE 2.3 of the Agreement, the below standards, or their successors if appropriate, to be met when the system is decommissioned, and data is deleted.

- Secure sanitisation of storage media - NCSC.GOV.UK Reviewed September 2020
- Acquiring, managing, and disposing of network devices - NCSC.GOV.UK Reviewed September 2016.
- Office 365 Data Destruction - Microsoft Docs February 2020.

- NIST Special Publication 800-88 Rev 1: Guidelines for Media Sanitization February 2015
- Cloud security guidance November 2018
- End user device (EUD) security guidance November 2018
- Information Commissioner's Office Deleting your data from computers, laptops, and other devices
- BS ISO/IEC 27002:2013

ETP1	The Supplier is required to develop and implement a solution. This solution will be accompanied by an associated Exit Transition Plan ("**ETP**"), which, in the event of service termination or expiry in accordance with the contractual terms and conditions, would achieve an efficient, effective, and low-cost transition, which minimises risk to the Authority and/or incoming Supplier.
ETP2	The Supplier is required to develop and maintain, throughout the life of the contract, a robust ETP that describes in detail the responsibilities and duties leading up to and during the expiry and/or termination of the contract, which will be designed to ensure the orderly and smooth transition of services at the expiry and/or termination of the contract, in accordance with ETP1.
ETP3	The ETP must be maintained so as to be capable of immediate implementation. The main body of the ETP will be drafted and presented in a consistent format using recognised industry standard methodologies (for example those from ISO or ITIL®).
ETP4	Where the ETP makes reference to separate operational documents, such as system and data documentation or the service operation manual, the same will be maintained at the same standard as the ETP, as described at ETP2 above, and will also all be available to be viewed and audited by the Authority or the Authority's representatives at any time.
ETP5	The scope of the ETP will cover all aspects of the Supplier's delivery of the Services, including systems, data (including shared infrastructure and security), assets, personnel, facilities (such as buildings). Portability of data will be a key aspect of the ETP and the process to manage the same must be maintained to the same standard as the ETP, as described at ETP2 above, and will be subject to independent audit.
ETP6	During Exit, whether Orderly or Emergency, the Supplier will work with the Authority and/or a Replacement Supplier(s) to ensure a timely and orderly transition.
ETP7	Following initial acceptance, the ETP will be presented to and reviewed by the Authority on an annual basis. The ETP will be amended as deemed necessary by the Authority.

7.4 Audit Requirements

The Supplier will be required to provide and have agreed with the Authority an appropriate assurance framework covering governance, risk management and control processes relating to the administration of the Scheme.
Auditing is an independent, objective assurance and consulting activity designed to add value and improve operations. It assists an organisation to accomplish its objectives by providing a systematic and disciplined approach to the evaluation and improvement of the effectiveness of risk management, control, and governance processes. The Supplier will ensure appropriate audit arrangements are embedded in the assurance framework in accordance with the following requirements.
Requirements in respect of external audit, and in particular those relating to the production of annual accounts, are covered under section 11 (Financial Requirements) of this statement of service requirements.

Internal Audit (IA) Requirements	
Ref.	Requirement
IA1	Provide an internal audit service which complies with the Public Sector Internal Audit Standards ("**PSIAS**"). In particular, an audit strategy ("**AS**") is to be produced and delivered over the term of the contract. The AS will set out the strategy, aims, objectives and procedures to ensure that the PSIAS (as amended from time to time by the Authority) are adhered to, and that the requisite assurance over Scheme governance, risk management and control processes is provided to the Authority, its Audit Agents (the Government Internal Audit Agency) and HMT. The AS is also required to: • provide and demonstrate the independence of the internal audit function from the Supplier's management team; • set out arrangements for engaging with and providing objective reporting to the Authority Representative/its Audit Agents; • establish the principles applying to the experience, qualifications, and specialism of the audit team, including its senior manager and provide details of how this will be met by the internal audit service; • set out the principles that will be adopted to influence the Supplier's management team resolution of audit findings; and • set out the process and timeline for providing assurance to the Authority/its Audit Agents. This must include an annual, written statement of assurance from the Supplier's internal auditors to the Authority Representative.

IA2	Develop, implement, and maintain a risk based annual audit plan ("**AAP**") with the agreement of the Authority Representative, its Audit Agents and the TPSPB, which sets out in detail the deliverable audit activities, timescales, and resource, together with associated measurable outcomes, targets, and quality measures, to achieve the aims, objectives, and benefits of the AS in accordance with the following processes: • a memorandum of understanding agreed between the Parties for producing and agreeing terms of reference/reports and sharing/reviewing with/by the Authority Representative and/or its Audit Agents; • periodic updates (on a quarterly basis) to the Authority Representative/its Audit Agents on the progress of the AAP; and • ensure that once agreed, the AAP is only amended with the approval of the Authority and/or its Audit Agents.
IA3	Provide all necessary support, access, and information to allow the Authority/its Audit Agents to evaluate the Supplier's internal audit provisions against the required standards, or to undertake specific audit reviews of the Supplier's systems and processes for administering the Scheme.
IA4	Have in place effective procedures and sufficient qualified resource in order to manage and implement the AS and AAP deliverables in accordance with PSIAS.
IA5	Report progress to the Authority/its Audit Agents on implementation of the AS and AAP and recommendations arising from audit assignment on a termly (three monthly) basis. Demonstrate whether planned deliverables (as set out in the AAP) are achieving the desired outcomes/benefits (as set out in the Audit Strategy) and propose recommendations for altering/enhancing the AS/AAP or to resolve any deficiencies.
IA6	Ensure that the AS continues to evolve over the term of the contract (subject to the Authority approving changes to the AS), to reflect changing circumstances, experience gained by the Supplier and any changes made to PSIAS.

8 Data Management

Regulation 131 to the TPR 2010 and Regulation 219 of the TPSR 2014 permits the collection of appropriate data to administer the Scheme. It is essential to the effective operation of the Scheme that data is effectively collected; verified and reconciled to ensure accuracy; securely held in accordance with NCSC and Authority security requirements; transferred; and used correctly to administer the Scheme. This includes the need to fully comply with all Data Protection Legislation, including but not limited to the UK GDPR. The Supplier shall continuously improve the quality of scheme data and utilise advances in IT to improve service provision to be agreed with the Authority. It will have in place a plan for achieving this, which includes regular reporting to the Authority on progress and impact.

Employers have a key role in supporting the administration of the Scheme and in ensuring effective use of Scheme provisions to assist workforce and pension planning. The Supplier is required to engage proactively and effectively with Employers, using innovative solutions, to ensure the requirements of the administration and wider objectives of the Agreement (as set out in paragraph 1 above) are achieved. This should involve, where appropriate, liaising and working with bodies that provide services to Scheme Employers, such as third-party payroll Supplier.

In respect of Employer engagement, collection of data will be on a case by case and/or bulk basis. In designing a solution, we require the Supplier to minimise the administrative and bureaucratic burden on Employers while still implementing a modern and engaging service that will collect key data (such as service and salary information) on a monthly basis.

The Supplier will be required to provide, for statistical purposes, additional data as outlined by the Authority.

8.1 Maintaining a Pensions Record

The Supplier will be required to:

Ref.	Requirement
DM1	Capture, validate and store accurate, complete, and up to date data (e.g., from the preceding month in the case of service, salary, and contributions data) to allow the Supplier to fulfil its obligations under this contract. Ensure the accuracy of the data by implementing effective data validation and reconciliation processes. Be proactive in communicating requirements with Customers and implement measures to identify and correct inaccurate data returns.
DM2	Identify gaps/changes in data referred to under DM1 and take

	proactive remedial action to address any issues.
DM3	Retrieve and transfer the data accurately and securely, through mechanisms and in formats as agreed with the Authority, as appropriate, to: • Provide the appointed Scheme actuary with data for the purposes of carrying out their obligations to the Authority including, but not limited to, conducting Scheme valuations, producing reports for annual report and accounts, advising the Authority on the actuarial impact of potential changes to the Scheme, and maintaining tables of actuarial factors. • Provide Members and Employers with information on Members' salary, service, and accrued Scheme benefits; including the capacity to do this online through self-service as appropriate. • Provide the Authority with information to support their statistical requirements. • Provide data to meet the Authority's requirements in responding to all Authority business, including, but not restricted to: Parliamentary Questions, Ministerial briefings, Freedom of Information requests, Private Office, policy development and forecasting. • Provide the Authority with data from any part of the database, in the format specified, ideally allowing the Authority to self-serve if required. • Unless requested otherwise by the Authority, the Supplier will ensure all recommendations and forecasts are fully evidence based, drawing on the effective use of scheme and other publicly available data e.g. that from the Office for National Statistics (mortality data). In providing these data extracts, the Supplier will provide an analysis of any relevant data issues concerning the reliability and completeness of the data.
DM4	Proactively identify data inconsistencies. Where inconsistencies in data provision are identified, the Supplier will liaise directly with those responsible for submitting the data to address, explain, and rectify any issues and responsively and proactively manage these issues. This will include issues raised by Members about the quality of data that has influenced their benefit information.
DM5	Proactively monitor and analyse Scheme data to identify trends or patterns of behaviour, or anything else of interest, to suggest to the Authority the possible impact on the policy arrangements governing the Scheme.
DM6	At all times, and in accordance with applicable laws, maintain clear audit trails to facilitate checking and audit of data.
DM7	Provide an annual benefit statement to Members that complies with

	current legislative requirements, and which is in a format that includes sufficient detail to encourage them to engage with their pension information – including to check that their data is up to date and accurate.
DM8	Provide assurance to the Authority that demonstrated the accuracy and completeness of the data and its storage and take steps to resolve issues identified as a result of assurance activities. The assurance activity should initially respond to the findings of the ITM data quality report, reflect the Pensions Regulator's guidance and regulation in respect of good record keeping, and evolve over the life of the contract as any data issues are identified and addressed.
DM9	Produce, deliver, and maintain, throughout the life of the contract, a Data Improvement Plan (DIP), in a format and with content to be agreed by the Authority. The DIP should demonstrate how all aspects of data management, including collection, storage, and use, would continue to evolve to ensure the best possible service is provided to Members and other stakeholders.
DM10	Provide a technological solution, in accordance with Good Industry Practice and the Standards and UK Government policy, including Digital by Default, which supports the delivery of DM1 through to DM12 inclusive, in a systematic, consistent, and controlled manner.
DM11	The Supplier is required to: • Work with authority analysts to provide a cohesive, cross platform data exchange against data currently collected by the administrator at a frequency appropriate to data volatility. • Work with the Authority to mutually exchange data to minimise the burden on Employers from the Supplier not making effective use of the School Workforce Data (and future Authority Workforce data collections) for pension administration purposes, subject to the scope of the School Workforce Census being a subset of the data currently collected by the Supplier. • Adapt their data collection processes and systems to reduce the scope of data collection from Employers and replace that with data feeds from the Authority, to reflect the implementation of School Workforce Census and any consequential reduction in the requirement for the Supplier to collect data. See latest information on School Workforce Census here: National statistic overview: School workforce in England: November 2020 - GOV.UK (www.gov.uk)
DM12	The Supplier is required to: • Work with the Authority Security Assurance Team to ensure their platform/service meets the Standards set out in Schedule 2.3 (*Standards*) and the security requirements set

	out in Schedule 2.4 (*Security Management*). • Ensure compliance with all Authority data handling standards as set out in Schedule 2.3 (*Standards*) and the security requirements set out Schedule 2.4 (*Security Management*) . • Ensure Authority to Operate is obtained for the service and is maintained on an annual basis. See 7.3 exit transition plan.

8.2 Education Workforce Council (EWC)

Ref.	Requirement
EWC1	The EWC allocates unique reference numbers to specific groups of Teachers in Wales. With reference to CA10, the Supplier will ensure secure and effective mechanisms are in place to share these reference numbers, and data that serves an agreed common purpose, resulting in both Supplier and EWC datasets being aligned.
EWC2	The EWC also has responsibility for ensuring the suitability of individuals to act as Teachers, included within that is the power to issue prohibition orders to stop individuals from working as a Teacher. Timely exchange of information with the EWC is required to ensure that there are no reasons for withholding benefits, with reference to requirement CA21.

8.3 The Teaching Regulation Agency (TRA)

Ref.	Requirement
TRA1	The TRA allocates unique reference numbers to specific groups of Teachers in England. With reference to CA10, the Supplier will ensure secure and effective mechanisms (in a manner that complies with HMG Security Policy Framework) are in place to share these reference numbers, and data that serves an agreed common purpose, resulting in both Supplier and the Scheme and/or the Authority datasets being aligned.
TRA2	The TRA has responsibility in England for ensuring the suitability of individuals to act as Teachers, included within that is the power to issue prohibition orders to stop individuals from working as a Teacher. Timely exchange of information with the Scheme and/or the Authority and is required to ensure that there are no reasons for withholding benefits, with reference to requirement CA21.

9 Security

The Supplier will support the delivery of wider Government and Authority policy in respect of Data Security, taking into account the Security Policy Framework and related HMG and Authority standards, all of which are mandatory requirements. The NCSC standard is located here: Minimum Cyber Security Standard. This requires the Supplier to have clear plans for meeting these standards and the requirements therein, taking into account issues such as information risk management, physical and personnel security and access controls placed on the data.

The Supplier will be required to:

Ref.	Requirement
DS1	Ensure that all data at rest must be encrypted to at least the standard of AES256. All data in transit must meet NCSC Minimum Cyber Security Standards (latest published version) and Authority standards for protection of data at rest and in transit. Evidence how it will provide a service that is compliant with the HMG Security Policy Framework ("**SPF**") as described and required on a mandatory basis in accordance with Schedule 2.4 (*Security Management*) and the Authority data security requirements, whilst ensuring continued Authority access to all data, in a format agreed with the Authority.

- The HMG Security Policy Framework continues to be published at: Collections Government Security

The SPF details the standards that Government Departments are to require from their Suppliers.
There are fifteen (15) documents in the above link, but we draw attention particularly to the following six:

- SPF Security Policy Framework
- CYBER Minimum Cyber Security Standard
- BPSS Government Baseline Personnel Security Standard
- OFFICIAL Government Security Classifications
- PII & OFFICIAL-SENSITIVE+ Contractual Process Personal or Classified Data
- SAF Government Supplier Assurance Framework

10 Use of IT

10.1 Quality Technological Solutions Supporting Service Delivery

The Supplier is required to deliver market-leading pension administration services for the Scheme. To support this objective the Supplier is required to provide a high quality, integrated technological solution to deliver this that reflects and maintains pace with Good Industry Practice.

The Supplier will be required to provide a technological solution to efficiently support the delivery of core pension administration, Member and Employer engagement, and related services that reflects and maintains pace with advances in technology and industry practices.

The solution will be required to meet the Standards.

Specifically, the Supplier shall:

Ref.	Requirement
ICT1	Provide an effective integrated technological solution supporting the end-to-end delivery of pension administration and related services.
ICT2	Have in place effective and documented procedures to maintain the IT solutions that are used to deliver pension administration services.
ICT3	Develop and maintain an IT improvement strategy to ensure continuous security improvement and development in accordance with Authority and Customer needs as well as changes in general IT delivery. The technology solution should be capable of delivering change throughout the lifetime of the contract.

10.2 Government Interoperability Framework and Authority Data Security Standards

It is the Supplier's decision to decide how to deliver the services to the Scheme, including the technology it uses and the geographical locations from which it will provide services. The Supplier should provide a solution it believes offers the best quality of service and value for money. The solution will form part of the overall evaluation and compliance criteria as detailed in the Invitation to Tender (ITT) documentation.

The technical solution proposed by the Supplier and associated interfacing mechanisms with other systems shall be required to conform with the current e-government Interoperability frameworks, its policy, and standards, and adopt Good Industry Practices throughout the contract. This includes solution design, development, implementation, as well as business as usual services. The solution shall also operate in a secure and robust manner in accordance with UK government

security guidelines and comply with current UK legislation.

The Supplier is required to comply/meet the below standards and ensure they keep up to date when changes are implemented to a timescale agreed with the Authority:

- The National Cyber Security Centre Minimum Cyber Security Standards here: Minimum Cyber Security Standard
- HMG Security Policy Framework here: Security Policy Framework
- HMG Open Standards here: Open Standards Principles

The Supplier is also required to maintain the safety and integrity of both the physical sites of the operations and the technological solution and its associated components by adopting the appropriate Authority data security standards.

This includes (but is not limited to) the systems the Supplier (and all sub-contractors or contractors) operates to support the delivery of the service and the data that is held and transmitted across the operation. The Supplier is required to follow the industry standards and the business continuity and disaster recovery guidance:

- ISO27001, 27002 (and provide the Authority with the scope and detail of what the certification covers);
- ISO22301; and
- DPA 2018.

The Supplier is also required to refer to the following:

- HMG Security Policy Framework;
- NCSC Minimum Cyber Security Standards; and
- NCSC Cyber Essentials Plus.

Where one or more conflicting standards apply to any particular case, the Authority shall determine with which standard the Supplier shall comply.

The Supplier will be required to:

Ref.	Requirement
ICT4	Comply, adhere, or adopt, as appropriate, all the Standards set out in Schedule 2.3 and the security requirements set out in Schedule 2.4 (*Security Management*).
ICT5	Ensure that the Supplier Personnel have: • A good understanding and experience of eGovernment Interoperability Framework (e-GIF) standards and solutions and enterprise application integration and how they will be

	applied to provide the solution. • Formal interoperability qualifications such as e-GIF certified practitioners.
ICT6	Demonstrate good data security incident management. As a minimum, the following key steps should be taken: • Develop a data loss incident management policy. • Form and train incident response teams. • Develop a communication plan. • Forensic readiness policy and capability. The Supplier must complete the Authority's incident reporting form as quickly as possible after a security incident. The form is included below. The form should be sent to the following email address: REDACTED
ICT7	Identify all components of the Supplier's solution that will run on a shared infrastructure, clearly identifying: • How Authority data is segregated from non-Authority data on the Supplier's IT equipment. • How the Supplier will manage the risks associated with the connectivity to IT systems, where other Customers of the Supplier might have lower security requirements.
ICT8	Engage fully with the Cyber & Information Security Division (CISD) Supplier Assurance function within DfE.

ICT6
Information Security Incident Form

SECURITY INCIDENT REPORT FORM

Instructions

Please do not check this document out. To submit this form, click "File", "Save as" to save local copy and submit to the email address at the bottom of this form.

Please submit the incident report as quickly as possible even if limited information is available. The Data Protection Act 2018, incorporating General Data Protection Regulation (GDPR), requires DfE to notify the Information Commissioner's Office of serious personal data breaches within 72 hours of discovery.

In the form below, please check boxes as appropriate and provide written text where requested.

Incident Report Form

Section A: Contact Details	
Name	Click or tap here to enter text.
Email Address	@education.gov.uk
Agency (DfE/ESFA/Other)	Choose an item.
Group (DfE Only)	N/A
Directorate	N/A
Team/Division	N/A
Location	N/A
Telephone Number	Click or tap here to enter text.
Team Leader Name	Click or tap here to enter text.
Deputy Director Name	Click or tap here to enter text.

Section B: Incident Classification	
Incident Type	**Tick**
Cyber - incidents which may or may not involve the loss, leakage, alteration or unauthorised access to information and/or the loss or interruption of systems and services.	☐
Information - involving the loss, leakage, alteration or unauthorised access to departmental information.	☐
Personnel - incidents arising from poor or inappropriate security behaviours which fail to comply with security policies and pro cedures.	☐
Physical - incidents such as thefts or security issues which compromises the physical & procedural security controls protecting the DfE estate, people or assets.	☐

Impact Level	Tick
Low – incident to be dealt with by local management.	☐
Medium – incident reported to the Deputy Director.	☐
High - incident reported to the Director General or above.	☐

Does the incident involve the (potential) loss, compromise or unauthorised disclosure of information?	
Yes	☐
No	☐
N/K	☐

Was any Personal Data Involved?	
Any information relating to an identified or identifiable natural person (data subject) who can be identified directly or indirectly, by a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity.	**Tick**
Yes	☐
No	☐
N/K	☐

If YES, please complete Section C: Personal Information on Page 3.

If NO or N/K, then please move to Section D: Sensitive Data on Page 4.

Section C: Personal Information
If Yes, what sort of data was included (e.g. name, address, DoB etc.)?
Please note the text box below will automatically resize as you type.
Click or tap here to enter text.

Were any of the following Special Category Data included?	
If Yes, please tick all the relevant check boxes	
Racial or Ethnic Origin	☐
Political Opinions	☐

Religious or Philosophical Beliefs	☐
Trade Union Membership	☐
Data concerning Health (Physical or Mental)	☐
Sexual Life or Sexual Orientation	☐
Offences committed or allegedly committed	☐
Details of proceedings for offences committed or alleged	☐
Genetic data	☐
Biometric data	☐

Was any Protected Personal Data included?	
Protected Personal Data is data which the Department or its delivery partner hold whose release or loss could cause harm or distress to individuals. Please tick if either of the following are included:	**Tick**
a) information that links one or more identifiable living person with information about them whose release would put them at **significant risk of harm or distress**;	☐
b) any source of information about **1,000 or more** identifiable individuals, other than information sourced from the public domain.	☐

To how many individuals does the personal data relate?	Click or tap here to enter text.

What is the potential impact on the data subjects (individuals) affected?
Please note the text box below will automatically resize as you type.
Click or tap here to enter text.

Section D: Sensitive Data	
Apart from any personal data, did the incident or documentation contain any sensitive information?	
Including corporate, commercial & operational data; advice to Ministers & policy development; security and enforcement procedures.	**Tick**
Yes	☐
No	☐
N/K	☐

If Yes, what was the marking?	
No Marking or OFFICIAL	☐
OFFICIAL-SENSITIVE	☐

Were handling instructions included with the information?	
Yes	☐
No	☐

Has the incident been reported to the Information Asset Owner?	
Yes	☐
No	☐

Who is the Information Asset Owner for the data?
Click or tap here to enter text.

Section E: Incident Details

Please describe the incident in detail.
Think of "who, what, when, where, how". If incident reporting has been delayed by more than 24 hours, please explain why.
Please note the text box below will automatically resize as you type.
Click or tap here to enter text.

What is the potential impact of the incident for the Department?
In terms of the potential impact on the department, on staff & on third parties?
Please note the text box below will automatically resize as you type.
Click or tap here to enter text.

Date the Incident first occurred	Click or tap to enter a date.
Date you became aware of the Incident	Click or tap to enter a date.
Date you reported the Incident	Click or tap to enter a date.

Section F: Incident Analysis	
Which of the following most closely describe what has happened?	
Please tick all relevant check boxes	
Information sent by email to incorrect recipient	☐
Information posted/faxed to incorrect recipient	☐
Incorrect use of Email software e.g. AutoComplete	☐
Data uploaded to website in error	☐
Insecure or hacked web page or IT system	☐
Documents lost/mislaid	☐
Failure to redact data	☐
Other (please state)	Click or tap here to enter text.

Section G: Incident Actions
Please describe what action has been taken and to whom the incident has been reported?
Please note the text box below will automatically resize as you type.
Click or tap here to enter text.

What would you regard as the cause of the incident?		
	Accidental/Negligence	☐
	Failure to following procedures	☐
	Inappropriate policy	☐
	Intentional	☐
	Third Party	☐
Other (please state)	Click or tap here to enter text.	

Section H: Incident Resolution		
Please describe what actions have been taken or planned to prevent a similar incident from occurring in future?		
	Communications Campaign	☐

Policy Revision	☐
Procedural Change	☐
Risk Assessment Review	☐
Training	☐
N/A	☐

Other (please state)	Click or tap here to enter text.

FINISHED? Please use File, Save As to save a copy of the form in your Documents folder and then email this form to the SECURITY RESPONSE mailbox immediately.

For Incident Management team use only			
Incident Ref No:	Click or tap here to enter text.	**Handler Initials:**	Click or tap here to enter text.

Refer to PIRAS?	Choose an item.	**Refer to ESFA Security?**	Choose an item.

DfE Security Breach?	Choose an item.

NCSC Attack Category (Cyber Incidents Only)	Choose an item.

11 Financial Requirements

11.1 Financial Transactions

The ultimate aim is to ensure all aspects of the Scheme's financial arrangements are robust and that the Authority is effectively supported to lay accurate and unqualified annual accounts for the Scheme for each financial year covered by this Statement of Service Requirements.

The Supplier will support the Authority to effectively manage Scheme finances and ensure all accounting and reporting duties are undertaken effectively. The standard and format are to be agreed with the Authority's Finance Lead.

This will include, but is not limited to, the requirement to accurately and effectively record and maintain records for all financial transactions performed

as part of administering the Scheme. Also, ensure these accounts and records are approved, reviewed and open for scrutiny by the Authority and relevant audit teams.

The Supplier will be required to:

Ref.	Requirement
FR1	Maintain sound financial controls in accordance with relevant Accounting Standards and Government legislation, including those defined in the Treasury publication 'Managing public money and obtain the Authority's prior approval for any changes to financial systems and processes.
FR2	Maintain ledgers to record all financial transactions, which will inform the nominal ledger and trial balance. Sufficient information to maintain a clear audit trail to source documents and authorisations must be maintained and made available to the Authority, or nominee of the Authority, on request and within reasonable timescales. As a minimum, that information is to be kept for a period to be agreed by the Authority, taking account of over-riding legal requirements/accounting standards for maintaining data.
FR3	Use a common chart of accounts to map transactions, as agreed with the Authority. To advise the Authority where new account codes are required as soon as the requirement is known.
FR4	Provide a reconciled trial balance within 3 working days of the month end showing opening balance, in month movement by debit and credit and closing balance.
FR5	Provide monthly reconciliations and supporting documentation to Authority finance staff for all balance sheet accounts by working day ten (10), with the exception of debtors, creditors, bank, premature retirement compensation accounts and suspense accounts which are required by working day 4. The standard and format for reconciliations is to be agreed with the Authority Finance Lead.
FR6	The Supplier will actively engage with relevant authorities to identify all Members who are reaching retirement age including deferred Members. Where a deferred Member is reaching 70 and has not been traced, then the Supplier will escalate its efforts. The Supplier will produce an annual report identifying each deferred Member and the estimated total due to them in back payments.

FR7	All financial transactions will be carried out securely, in accordance with relevant financial security standards (such as by BACS, PCI DSS).

11.2 Bank Accounts

The Supplier will be required to:

Ref.	Requirement
FR8	Ensure bank accounts are reconciled to the nominal ledger on a daily basis. Provide monthly reconciliations and supporting documentation to Authority's finance staff within 4 working days of the period end.
FR9	The Supplier will utilise Government Banking Service accounts for all payments and receipts. These accounts will be set up by the Authority with sufficient access delegated to enable Supplier Staff to fulfil requirements. The Supplier will be responsible for reconciling these bank accounts by the date agreed by the parties.
FR10	Provide an accurate long-term forecast of cash requirements to the Authority on an annual basis.
FR11	Provide to the Authority the monthly cash forecast profile for the following month by the 10th day of the current month. The Authority will ensure these funds are available on the first of each month.
FR12	Ensure that cash expenditure against forecast will not breach the Government Banking Service requirements. Where breaches occur, the Supplier will be liable for any fines charged by HM Treasury.

11.3 Receipt of Contributions and Other Income

The Supplier will be required to:

Ref.	Requirement
FR13	Establish, implement, and maintain systems to provide assurance to the Authority and its Auditors, that demonstrates Employers and Members are remitting accurate, timely and complete contributions to the Supplier.
FR14	Take proactive remedial action to detect and address late and/or incomplete remittance of contributions from

	Employers and Members, including reporting non-compliance to the Pension Regulator where appropriate. Where there is a case of incorrect or incomplete remittance of contributions the Supplier will determine whether this was a result of fraudulent action, and if it is appears fraud is involved, inform the Authority immediately. The Supplier should follow the fraud policy (as referenced in FR36) including notifying the Police (Action Fraud). All documents pertaining to the fraud must be provided to both the Authority and the Police (Action Fraud); Action Fraud is the UK's national fraud and cybercrime reporting centre.
FR15	Keep complete and accurate records of contributions received from each Employer and provide reports on this information as requested by the Authority. Data extracts must, at a minimum, show data to the level of Employer/Member, ordinary/additional contributions, and contribution(s) to the pension administration fee.
FR16	The Supplier will be required to keep a fully reconciled register showing full details for Members who have taken early retirement or who have made an election for the Scheme make payments on their behalf including but not limited to HMRC in respect of Tax liability. This will be made available on request at no additional charge.

11.4 Debtors and Debt Recovery

The Supplier will be required to:

Ref.	Requirement
FR17	Establish, implement, and maintain systems to record and report on all outstanding debt, including and not exclusive to overpayments; arrears; late contributions; and invoices for Premature Retirement Contribution in accordance with the Authority's instructions. Provide evidence and assurance to the Authority that demonstrates Scheme debt is being robustly managed.
FR18	Establish robust systems to collect outstanding debts and escalate to a debt collection agency as appropriate. Provide monthly updates to the Authority with respect to outstanding debt recovery. Where the debtor makes the case, or there is otherwise a case for writing off the debt, in accordance with arrangements set out by HM Treasury, ensure cases are handled promptly and sensitively, and that all evidence

	and details are provided to the Authority to enable it to consider if a write-off can be substantiated. Where the debtor becomes insolvent or the debt remains outstanding the Authority must be advised as soon as the possibility or probability of insolvency is known. Where the failure to recover the debt, pre-insolvency is due to a lack of interaction from the Supplier then the Supplier will bear the cost of the debt, otherwise all evidence of debt collection will be provided to substantiate a write off in accordance with HM Treasury guidelines.
FR19	Where there is a case of overpayment of pension benefits the Supplier will determine whether this was a fraudulent claim, and if it is appears fraud is involved, inform the Authority immediately. The Supplier should follow fraud policy including notifying the Police (Action Fraud). All documents pertaining to the fraud must be provided to both the Authority and the Police (Action Fraud). Action Fraud is the UKs national fraud and cybercrime reporting centre.
FR20	Where a debt arises, the Supplier will report the case to the Authority. The Supplier will provide all relevant details including an analysis of how and why the debt arose. Where the debt has arisen due to an act or omission of the Supplier, it will be the Supplier's responsibility to reimburse the Authority within three (3) months of the debt first being identified by the Supplier. Where a debt has been reimbursed by the Supplier or any previous Supplier a fully reconciled list will be provided to the Authority and the existing Supplier will ensure that repayments are made to the correct entity to satisfy the debt. This will be reconciled monthly and reported to the Authority.
FR21	The Supplier will provide a monthly aged debt report to the Authority for inclusion in the monthly management accounts. This should reflect all outstanding debts including but not exclusive to contributions debtors and be reconciled to the general ledger.

11.5 Payment of Pensions

The Supplier will be required to:

Ref.	Requirement
FR22	Establish, implement, and maintain systems to record and report all payroll benefit payments, lump sum

	payments and one-off payments in accordance with the Authority's instructions. Provide evidence and assurance to the Authority that demonstrates each payroll type is managed robustly.
FR23	Ensure that there are sufficient funds in the bank account to meet the daily payments from each category, and within Government Banking Service guidelines. Liaise with the Authority Treasury Team to top up funds as required.

11.6 Forecasts of Income and Expenditure

The Supplier will be required to:

Ref.	Requirement
FR24	Provide accurate forecasts for each receipt and payment type as required by HM Treasury and the Authority to meet their respective obligations. As a minimum these requirements are: • Autumn Office for Budget Responsibility (“OBR”) Statement. • Supplementary Estimate. • Winter OBR Statement. • Main Estimate. This list is liable to change as needs are directed by HM Treasury and successive Governments. The forecasts for the OBR will be completed to the requirements as defined and required by OBR. The forecasts for the estimates will be based on, and reconciled to, the OBR data and adjusted to reflect all accruals and prepayments, debtors, and creditors, as required by the Authority and HM Treasury. The Supplier will be expected to develop and maintain an effective model(s) to use in producing the forecasts and to ensure arrangements for updating and operating them are robust and systematic. The model will, nevertheless, remain the property of the Authority who must be consulted on any updates and changes to it. The forecasts will be accompanied by narrative reports, and other necessary documentation, to meet the

	Authority and HM Treasury's requirements, which will include setting out the assumptions, rationale, historic data, and trend information used to compile the forecasts. It will remain the responsibility of the Authority to scrutinise and challenge each forecast prior to the Authority submitting to the OBR or HM Treasury. The Supplier will support the Authority in responding to issues raised by OBR or HM Treasury, both in challenge meetings and through correspondence. Meetings may be held in any of the Authority's offices or those of the OBR or HM Treasury.

11.7 Financial Reporting – Scheme Monthly Forecast Outturn and Reporting

The Supplier will be required to:

Ref.	Requirement
FR25	Submit, on a monthly basis a Trial Balance to the Authority by noon on the third working day of the following month.
FR26	Provide monthly reconciliations and supporting documentation to Authority finance staff for all balance sheet accounts by working day 10, with the exception of debtors, creditors, bank, premature retirement compensation accounts and suspense accounts which are required by working day 4. The standard and format for reconciliations is to be agreed with the Authority Finance Lead.
FR27	In conjunction with the Authority staff the Supplier will provide an explanation of variances to the monthly and annual outturn.
FR28	Review the forecast position for the remaining year in light of the variance each month. Any variances which are considered to impact the outturn should be notified to the Authority to enable the management report to reflect the appropriate outturn.

11.8 Financial Reporting – Scheme Interim and Annual Report and Accounts

The Supplier will be required to:

Ref.	Requirement
FR29	Prepare and submit supporting documentation and data

	to facilitate the production of the interim and annual report and accounts. This must be in a timely fashion as determined by the Authority and prior to audit by the National Audit Office (NAO), or its appointed auditor.
FR30	Draft and submit statistical information and reconciled Membership data for the annual report and accounts as required by regulations, accounting standards and HM Treasury, with an appropriate commentary. These should be submitted to the Authority for inclusion in the annual report and accounts prior to audit by the NAO or its appointed auditor.
FR31	Ensure that key staff are available during the interim and year-end audit, and at other times as necessary, in order to satisfy the NAO's audit requirements in respect of the interim and annual report and accounts.
FR32	Make available Members of the Supplier Personnel to assist the Authority, NAO, or authorised auditor in their duties such as: tracing and supplying records or other documentation; answering queries; or providing financial or other data in a timely fashion as requested.
FR33	Support the production of the annual accounts by proactively participating in and contributing to relevant working and project groups. Including, where necessary, attendance at the Authority Audit and Risk Committee (ARC) meeting by a Supplier representative of significant authority and accountability.

11.9 Financial Governance

The Supplier will be required to:

Ref.	Requirement
FR34	Ensure that relevant and appropriate control and overview exists regarding all aspects of the business in accordance with relevant guidance and legislation. Including, but not exclusive to, systems access, maintenance of records and calculations regarding Member payments for lump sums or premature retirement, debtors, and creditors.
FR35	Share data, papers and reports relating to financial control with the Authority's Pensions and Finance teams and Scheme Auditors. The detail of each annual audit plan will be subject to agreement with the Authority and the TPSPB. This requirement extends to papers relating to the

	Supplier's wider business where those have or may have any connection with or impact on the financial controls in place for provision of the services.

11.10 Fraud

The Supplier will be required to:

Ref.	Requirement
FR36	Develop and maintain effective controls to prevent, detect and deter internal and external fraud including, but not exclusive to, participating in the National Fraud Initiative. Produce and implement a fraud policy that is agreed with the Authority. Working with the Authority and its Auditors to ensure that the controls are appropriate and measured. This should include mitigating aspects of the UK GDPR which may otherwise prevent suitable controls being put in place. In the event of fraud or attempted fraud occurring, the Authority should be notified immediately. Prompt action should be taken to prevent further fraud occurring and to ensure that there is no loss to the Scheme or the Authority. Where the fraud is due to a lack of control by the Supplier then the Supplier will reimburse the Exchequer through the Authority. Potential and realised fraud cases should be investigated and referred to the police (Action Fraud), as appropriate and in accordance with the fraud policy detailed above. Take necessary steps to ensure that similar frauds are avoided and will assure the Authority that lessons from the fraud, or attempted fraud, have been learned and applied to the delivery of the services.

12 Transition, Implementation and Testing Procedures

12.1 Transition and Implementation Approach (Contract Schedules 6.1)

The Supplier will carry out the transition and implementation of the administration services. The requirements outlined below show the minimum information that is required from the Supplier in order to provide assurance to the Authority that the implementation and transition will be effected within the specified time limits, in a controlled manner, to an agreed level of quality.

The Supplier will outline an approach to the transition and implementation that aims to successfully transition the administration services and proposed service enhancements within the strict time requirements of the project (24-month transition period). The Supplier shall set out the mechanisms (e.g., project plan, resource model, roles, and responsibilities, etc.) and strategy (i.e., the phases of transition and implementation) to effectively manage the transition of all relevant elements of the administration service (including IT, HR, governance, reporting mechanisms, knowledge building, etc.) within the proposed timeline, as well as details of any due diligence programme to be undertaken ahead of transition. The approach will be closely in accordance with the requirements of The Office of Government Commerce (OGC) Gateway Process and the alignment of HMG IA Standard No 2 (Risk Management and Accreditation of Information Systems) with the OGC Gateway Process (see requirement IP26).

The Supplier will be required to:

Ref.	Content	Requirement
IP1	Implementation Plan	Provide a detailed project plan, to be agreed with the Authority, outlining all the deliverables, key milestones, resourcing requirements, and governance for each stage of the transition and implementation. This should include details of any contingency that has been allowed for in planning the implementation (e.g., timescales, costs, resource, etc).
IP2	Project Manager	Appoint a named Project Manager to manage and control the transition and implementation. Provide credentials and reasons for selecting this individual.
IP3	Project Team	Identify key named individuals who will be responsible throughout the project for delivery of the transition and implementation and will act as points of contact for the Authority. Indicate what flexibility and arrangements are proposed for the substitution of such individuals during the transition and implementation should the Authority request the same. Inform the Authority of any changes to key named

Ref.	Content	Requirement
		individuals.
IP4	Stakeholder communication	Provide details of engagement with the Authority and other stakeholders where involvement will be required throughout the transition and implementation, including the level of resource and involvement required at each stage.
IP5	Reporting	Provide a framework, to be agreed with the Authority, for reporting transition and implementation progress to the Authority on a regular basis as agreed. This should include details of reporting to the project board (meetings of which the Authority will have a right to attend) as well as how progress updates will be made outside of formal project board meetings.
IP6	Fact Finding	Define the process, including timescales, for carrying out detailed fact finding to understand the technical requirements of the Scheme, to ensure a correct understanding of the current administration service and to contextualise the IT requirements.
IP7	Project checkpoint reviews	Provide a governance framework and processes to; • review the viability of the Supplier's approach to transition as set out in their Implementation Plan, supporting tools, and documentation, at key points during the transition and implementation; • to identify if the project and its deliverables are achieving the desired outcomes and remain aligned to the project objectives; and • outline what the key checkpoints are.
IP8	Change Control	Provide the Change Control procedures to ensure the tools and documents supporting the approach continue to be focussed on delivering the administration services in accordance with the Authority's requirements. This should be in accordance with Schedule 8.2 (Change Control Procedures).
IP9	Risk and Issue Management	Provide a framework for the reporting, management and escalation of risks and issues throughout the transition and implementation project. This should be based on standard project management principles and should be subject to regular review, dates as agreed with the Authority. This should outline how risks and issues will be escalated to a designated Risk Committee.

Ref.	Content	Requirement
IP10	Debt recovery	Where a debt has been reimbursed by the Supplier or any previous Supplier a fully reconciled list will be provided to the Authority and the Supplier will ensure that repayments are made to the correct entity in order to satisfy the debt. This will be reconciled monthly and reported to the Authority.
IP11	Staff Training Programme	Outline the training programme that will be undertaken to ensure the service will be delivered to the required level of quality at go-live. This should include the training of the Supplier's existing staff, or staff transferring from the previous Supplier in accordance with Schedule 9.1 (*Staff Transer*) and any new staff that will be hired to administer this contract.
IP12	Implementation Sign Off	Outline the content implementation plan that will be produced for the Authority to sign off internally, in order to demonstrate appropriate levels of assurance. This should include how and when a 'Certificate of Readiness' will be delivered to the Authority in time for consideration at the appropriate approval gateway.
IP13	Contingency Plan	Outline a proposed contingency plan to be affected in the event that the transition and implementation is unable to be completed within the specified time limit, together with details of the key trigger points for the invoking of this plan, including but not limited to 'Go/No Go' meetings.

12.2 IT Implementation

The Supplier must implement the necessary IT solution to support the delivery of pensions administration and related services. The Supplier will be required to adopt or have in place an approach to the implementation that will ensure successful delivery within the specified time limit, and in accordance with an agreed set of success criteria. The Supplier is required to provide, at a minimum, the following details to give the Authority the assurance that the IT solution has been implemented in a controlled manner and will be fit for the purpose as set out in this Statement of Service Requirements.

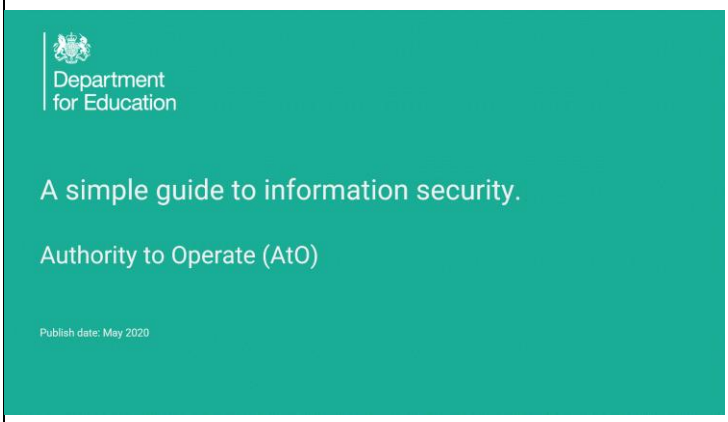
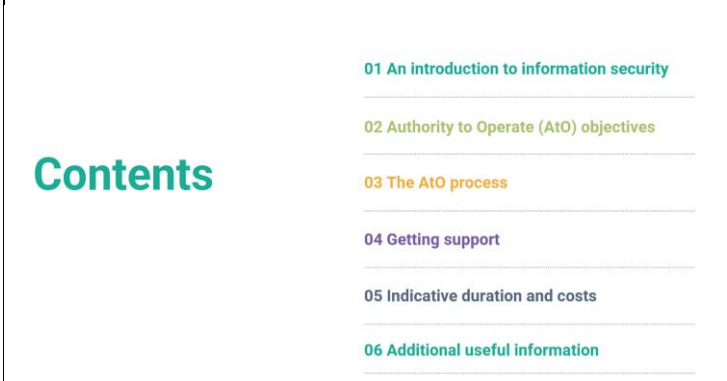
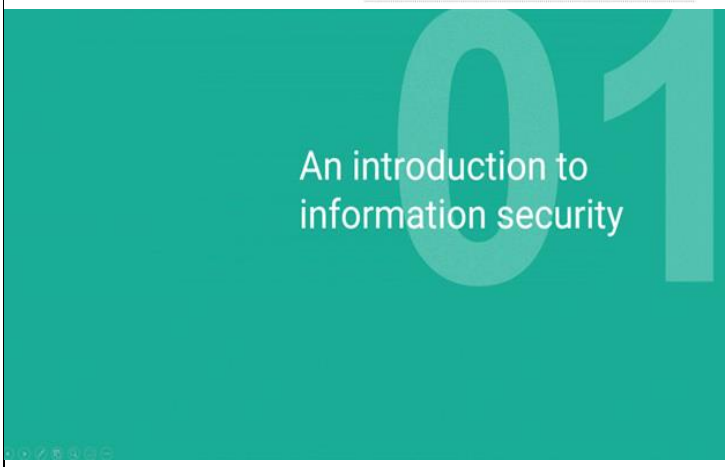
The approach to implementing IT shall incorporate the following:

Ref.	Content	Requirement
IP14	Implementation timeline	The Project Plan outlined in IP1 of the approach to the transition and implementation should provide a clear timeline for the implementation, including key Implementation Milestones for the delivery of: • Core administration database (record keeping).

Ref.	Content	Requirement
		• Calculations. • Electronic document management. • All system outputs (KPI reporting, calculation outputs, Member letters, etc). • All processes (including interfaces). • Workflow management technology. • Customer self-service solution (for Members, Employers, the Authority, and other relevant Stakeholders as necessary). • Voice services technology solution. • Website, social media, and other related solutions.
IP15	Supporting documentation	There should be appropriate, sufficient, and suitably structured documentation to support the implementation of all aspects of the technology solution, and to demonstrate compliance with appropriate Central Government and Authority security standards. Outline the documentation that will be provided to support the implementation.
IP16	IT Implementation Team	Evidence should be provided that Supplier Personnel are sufficiently and appropriately security vetted and qualified when carrying out a successful implementation of any new IT requirements. The Supplier must comply with Authority, Governmental and industry standards. As a minimum the HMG Baseline Personnel Security Standard, link here: Government Baseline Personnel Security Standard All personnel who have access to TPS protectively marked data will be required to be screened and vetted in accordance with the HMG Baseline Personnel Security Standard: Government Baseline Personnel Security Standard
IP17	Fact Finding	In accordance with the fact-finding approach outlined in IP6 of the approach to the transition and implementation, engage effectively with the current administrator, the Authority, and other key stakeholders to ensure clear understanding of the IT dependencies between them.
IP18	Data Mapping and Conversion	Detail a strategy, including timelines for dealing with any known data issues, including both the outcomes of the ITM data quality report and any due diligence and data cleansing that would be carried out on the data prior to migration.

Ref.	Content	Requirement
		Outline the method to be used for mapping data to the Supplier's administration system, including details of any standard tools (e.g., data maps), requirements for bespoke tools, external dependences, and their archiving and retrieval proposals for any data not transferred to their system. The methodology used for testing data mapping and converting the data to the Supplier's administration system will be outlined in Schedule 6.2 (*Testing Procedures*).
IP19	Calculation Development	Apply a proven methodology to developing calculations. This should include demonstrating an understanding of the calculation requirements and producing calculation specifications. Outline any external dependencies during the calculation development cycle and how calculations will be signed off and documented and retained in accordance with relevant Law and within the UK GDPR. The methodology used for testing calculations will be outlined in Schedule 6.2 (*Testing Procedures*).
IP20	Electronic Document Transition	Outline the steps and processes that would be followed to develop the system that will be used to manage electronic documentation. This should include a proposal to transfer all necessary electronic document files to the proposed IT solution, and the archiving and retrieval for any document files not transferred to the system. The methodology used for testing the system will be outlined in Schedule 6.2 (*Testing Procedures*).
IP21	Workflow Management System	Outline the steps and processes that would be followed to develop a workflow management system that will be used to meet the service requirements. The methodology used for testing workflow management systems will be outlined in Schedule 6.2 (*Testing Procedures*).
IP22	Reports/ System Outputs	Outline that steps and processes that would be followed to develop the required suite of both regular and ad hoc reports and other system outputs that would meet the full-service requirements defined in this Statement of Service Requirements. The methodology used for testing reports and system outputs should be outlined in Testing Procedures (part of the contractual requirements).
IP2	Interfaces	Outline the steps and processes that would be followed to

Ref.	Content	Requirement
3		develop interfaces to ensure the smooth transition of information between key stakeholders and Employers. The methodology used for testing interfaces should be outlined in Testing Procedures (part of the contractual requirements).
IP24	Voice, website, social media, and other related services	Outline the steps and processes that would be followed to develop a voice, website, social media, and other related services solution. In short, an integrated solution that provides an appropriate range of communication methods. The methodology used for testing voice services should be outlined in Testing Procedures (part of the contractual requirements).
IP25	Customer self-service	Outline the steps and processes that would be followed to develop self-service solutions that meet the Authority's requirements for its Customers (Members, Employers, the Authority, and other relevant Stakeholders e.g., Medical Advisors), as well as all requirements around data security. The methodology used for testing the self-service solutions should be outlined in Testing Procedures (part of the contractual requirements).
IP26	Integration of IT solution	Outline how the elements outlined in IP19 to IP24 will be combined to form an integrated IT solution for the delivery of pensions administration and other related services. The methodology used for testing the implementation of each of these components, and the final end-to-end testing of the integrated solution, should be outlined in Testing Procedures (part of the contractual requirements).
IP27	Security accreditation against HMG requirements	Provide appropriate evidence of HMG security and DfE compliance in respect of the service offering to the Authority, and the IT elements used to support that offering. Where this accreditation is not yet held (in respect of the service offering to the Authority, and the IT elements used to support that offering), i.e., NCSC Cyber Essentials+, ISO27001, to provide details of the steps that will be undertaken to attain Authority to Operate, as part of the Department Security Assurance Model (DSAM) accreditation and appropriate evidence, together with the anticipated timescales. On an annual basis complete an IT Health check/penetration testing to NCSC requirements and provide the Authority details of the outcome. An NCSC CHECK certified test is mandatory. This should also be actioned after any major platform changes/upgrades and actioned as part of the Authority to Operate process.

Ref.	Content	Requirement
		Details of outcome and a full remediation plan need to be shared with the Authority. Ensure compliance and full engagement with the Authority's Authority to Operate process.   

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		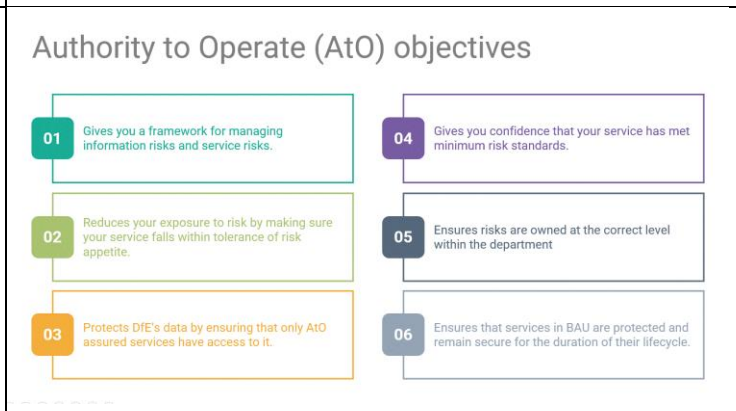 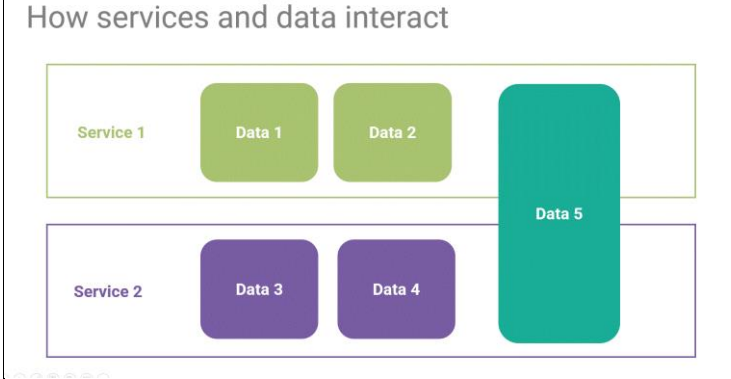

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		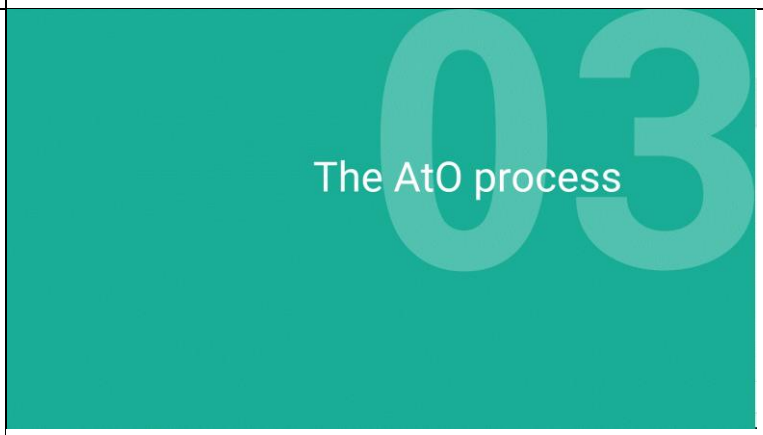 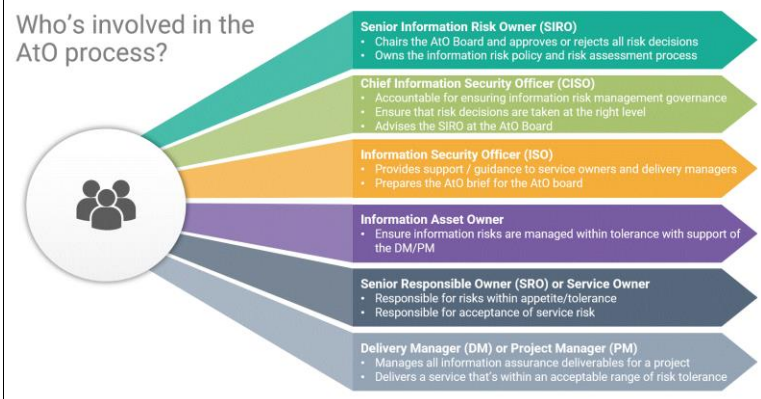 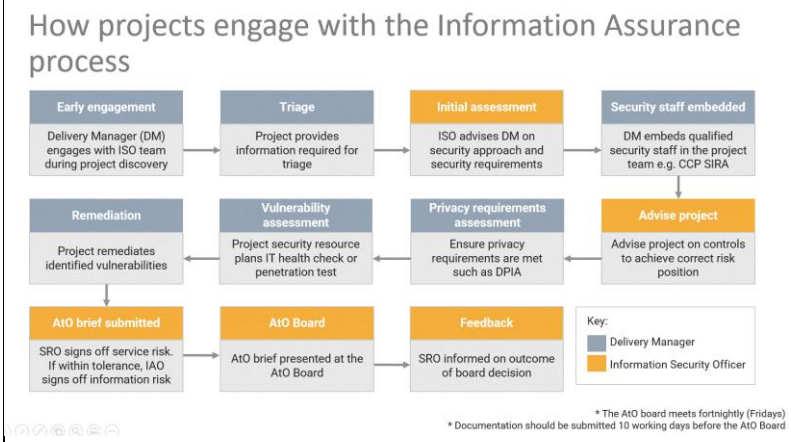

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		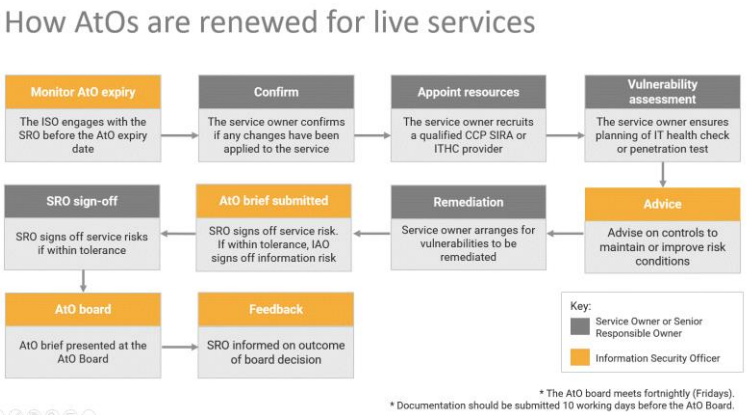 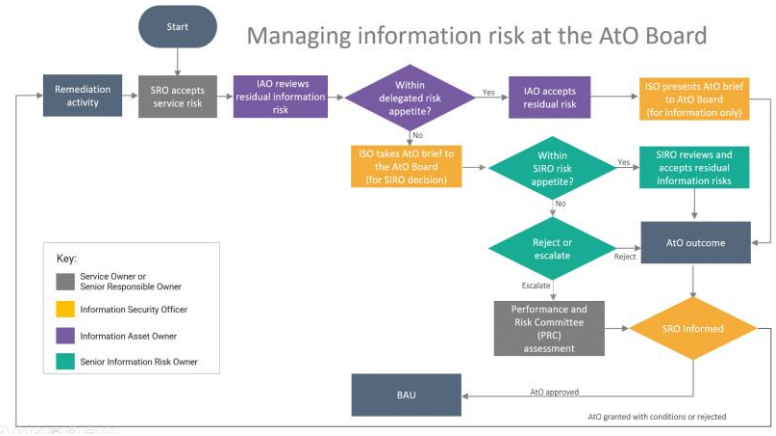 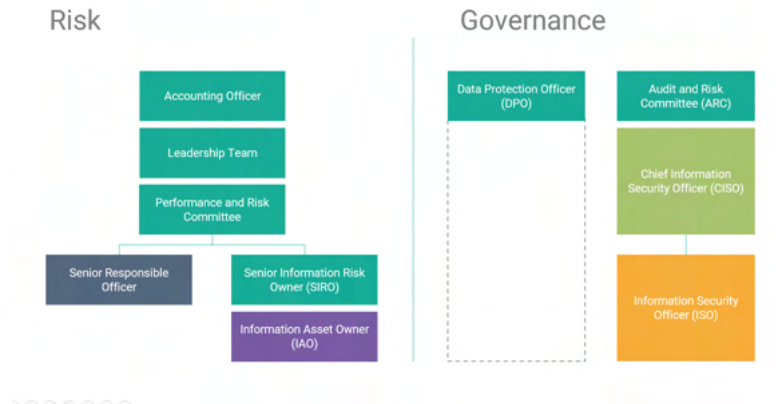

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		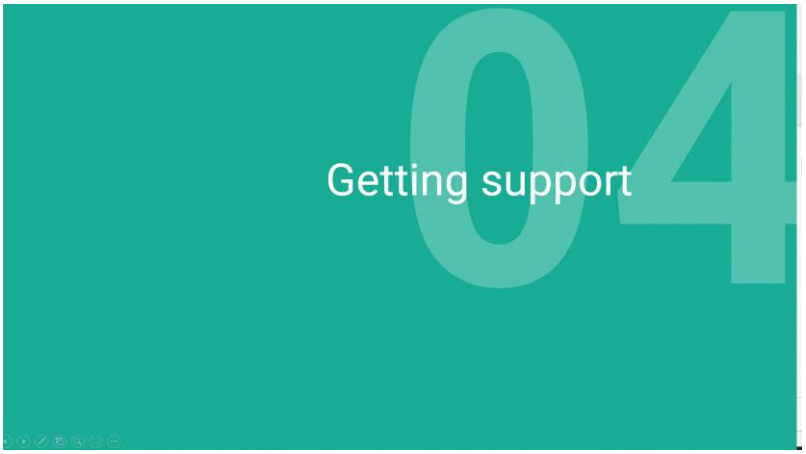 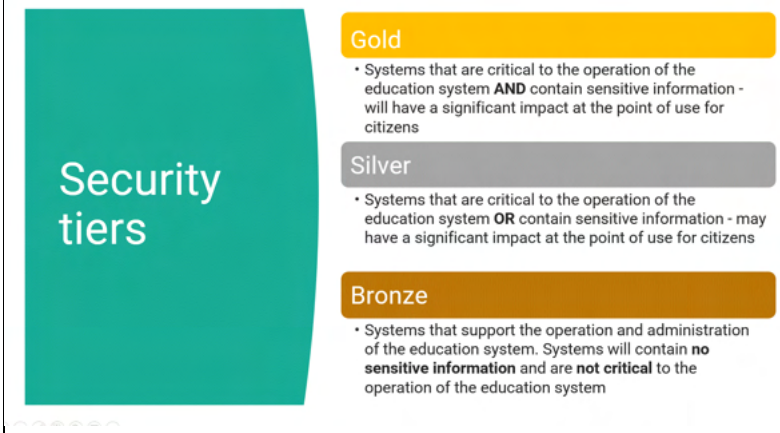

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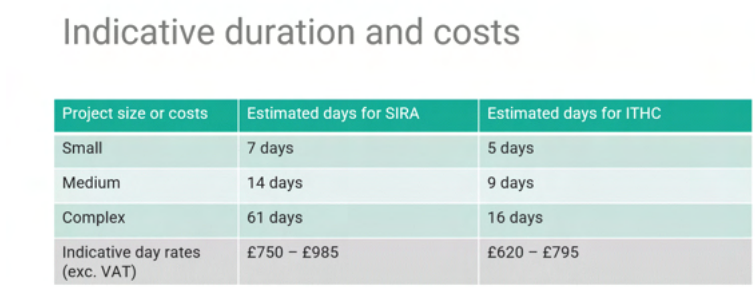
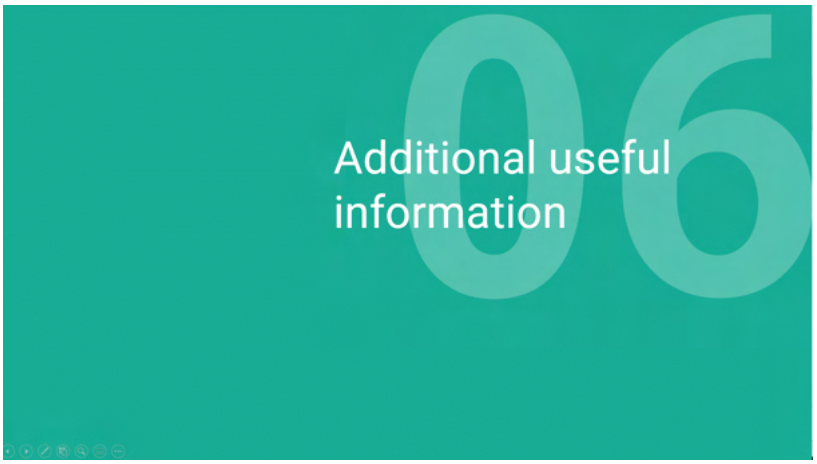
		   

Ref.	Content	Requirement

		
		Covid-19 Information Security Rapid Response Team (RRT) (rapidresponseinfosec@education.gov.uk)
		• Set up in support of DfE Lifelines
		  • Payments and emergency payments into the sector
		  • Communication into the sector
		• Team includes:
		  • ISOs, Security Architects, Incident Management, Protective Monitoring
		  • Oversight from CISO
		• Rapid security testing function
		• Managing risk, while working at pace
		• For new systems we aim to give a fast process to achieve (temporary) Authority to Operate
		• AtOs are granted on the basis that Data Protection issues are addressed
		Key resources
		• Managing information security risk
		• Department Risk Appetite Statement
		• Procuring external IT security support (SIRA/ITHC)
		• Security clauses for contracts
		• DfE SAAS Guidance
		• NCSC security guidance
		• Minimum Cyber Security Standard
		• Offshoring
		• Privacy/Data Protection

Ref.	Content	Requirement
		Key contacts For help with the IA process or for any more information, please email the CISO Team: InformationSecurityTeam@education.gov.uk
IP28	Handover to Business as Usual (BAU)	Outline how the implementation team will hand over to the business-as-usual team to ensure a smooth change over. This should include details of how Members of the implementation team will be used to support and train business as usual team during a post implementation.

12.3 Service Delivery Transition

The Supplier will ensure that the transition of the administration services is managed in a way that mitigates against the risk of the loss of key knowledge and ensures the transition of work in progress whilst minimising any reduction in the quality and timeliness of the service.

The approach to transition service delivery elements shall incorporate:

Ref.	Content	Requirement
IP29	Transition timeline	The Project Plan outlined in IP1 of the approach to the Transition and Implementation should provide a clear timeline for the transitioning of the pension administration services, including key Transition Milestones.
IP30	Operational delivery	Propose how the scheme would be operationalised in terms of its site and infrastructure required to deliver the scheme e.g., use of office space, equipment, IT assets etc.
IP31	TUPE requirements	Outline the approach you will take to ensure compliance with the requirements of the Employment Regulations around any transfer of staff to the proposed administration service, including the

Ref.	Content	Requirement
		definition of in-scope employees and replication of contractual terms and conditions.
IP32	Approach to retaining knowledge or skills	An outline of the approach that will be taken to transfer any staff to any new location, to maintain knowledge during transition and to retain key knowledge post-transition. This should include how key knowledge (whether in the context of staff knowledge, processes, documentation or otherwise) will be retained from the current operation (having regard to the processes and activities that will be undertaken through the existing contract to manage exit). Within the context of staff transfer this should include, how and when staff will be communicated with, the mechanisms in place to support staff during transition, and how transferring staff will be integrated into their operation (i.e., details of any proposed induction programme).
IP33	Risk Management	Provide details of the key risks and issues associated with a TUPE transfer, together with proposals as to how to mitigate them to minimise the impact on ongoing service delivery during transition ensuring productivity, service levels and quality levels are maintained.
IP34	Work in progress	Outline a proposed method for ensuring work in progress is handed over with minimal disruption to the quality and timeliness of the service (success criteria to be agreed with the Authority) including any administration or trading blackout periods. This should include a clearly articulated strategy for success.
IP35	Training	Provide details as to how retraining on the new solution will be given to all staff, including those transferred to the new administration service to ensure a smooth transition from implementation to ongoing administration.

12.4 Testing Procedures (Contract Schedule 6.2)

The Supplier will be required to produce and implement a strategy to deliver the agreed fully documented sign off for the implementation phase of the project.

The strategy shall incorporate the following:

Ref.	Content	Requirement
TP1	Scope of the testing	Outline all the areas of implementation that will require testing, referencing IP17 and IP18 where required.
TP2	Implementation Testing Procedures	Outline the methodology and processes that will be used to carry out the testing, including how you will involve relevant Stakeholders (e.g., the Authority, Government Actuary's Department (GAD), GLD and the Medical Advisers, etc.) in testing.
TP3	Test Plans	Provide a Test Plan for each phase of testing and covering the development of all components and final end-to-end testing of the integrated system (i.e., unit testing of each component, integration/system testing, regression testing, end to end testing and parallel running). This Plan should include details of any contingency that has been allowed for in planning the testing.
TP4	Supporting Documentation	Outline the documentation that will be used to support and evidence the successful testing of all IT components, including how this documentation will be used, and how it will be managed where there is an external dependency to carry out unit testing.
TP5	Resourcing	Outline the resources that will be made available for testing the IT solution. These should be sufficient and appropriately skilled to carry out this work for each IT component.
TP6	System Security Testing	Outline the approach to carrying out appropriate Penetration Testing, vulnerability scanning, and/or code review, of infrastructure, systems application software, security device rulesets, and external-facing user (web) interfaces (note this list is not exhaustive) to meet the appropriate HMG assurance, the Authority's requirements, and Segmentation Model requirements.
TP7	Exception Management	Outline how any exceptions encountered during testing will be documented, escalated and re-tested.
TP8	Tolerances and Test Success Criteria	Outline how tolerances, test Member matrices and Test Success Criteria (other than as set out in Schedule 6.2) will be agreed with the Authority.
TP9	Test review programme	Provide details of a programme of Test reviews to be implemented at key stages (e.g., at the end of each phase of testing) in the testing at which available Members of the testing teams will run through representative test cases with attending Authority staff.
TP10	Progress Reporting	Outline how testing progress will be reported back to the Project Board.

Ref.	Content	Requirement
TP11	Change Control	Outline how any changes to the strategy will be managed in a controlled manager and consistent with change control requirements as set out in IP8.
TP12	Sign Off	Outline how each component and phase of testing will be signed off. Provide details of the outputs that will be produced from the testing programme for sign off and audit purposes.
TP13	Handover to BAU	Outline how the implementation team will hand over to the business as usual.
TP14	Business Continuity readiness	Define the steps that will be taken to ensure that the Business Continuity and Disaster Recovery requirements detailed in Schedule 8.6 of the Contractual terms are implemented, tested and effective prior to go-live.

13 Other Requirements

13.1 Sustainability

The Supplier will support the delivery of wider Government and Authority policy in respect of sustainable service delivery taking into account the whole life cost over the full timescale of the intended service. This requires the Supplier to have clear plans for appropriate sustainable delivery of the services over the proposed contractual lifetime taking into account issues such as reduction of the carbon footprint, waste management and recycling.

The Supplier will produce an appropriate sustainability strategy, to be delivered over the life of the contract, which will aim to address carbon footprint and increase environmental good practice such as recycling. The strategy will have in place measures to assess the impact of the strategy delivery in achieving the aims and objectives set out.

The Supplier will be required to:

Ref.	Requirement
SS1	Provide an appropriate Sustainability Strategy for the Scheme that will set out mechanisms to effectively manage and minimise the service delivery's environmental impact and to develop good environmental practice over the full lifetime of the service contract. The strategy should include: • An overview of the Supplier's approach to sustainability including certifications, ensuring carbon reduction schemes adhered to (voluntary and/or mandatory) and any sustainability initiatives. • Explain how the approach will impact within the proposed solution for the Scheme, including setting out sustainability challenges currently being faced and how these translate to the Scheme services. • Explain the carbon foot printing methodology to be used; including the calculation method, standards adhered to or guidance followed (e.g. PAS 2050, ISO14044); scope of study and system boundaries and any key assumptions used. • Detail the proposed carbon footprint of the solution, measured as tCO2e, broken down into the various project stages, e.g., transition, implementation, and steady state.
SS2	The Sustainability Strategy will provide an approach to minimising the following: • The environmental impact of the Scheme project supply chain including sub-contractors and any other relevant third parties.

	• Any 'knock on' environmental impact on Members, Employers, the Authority, and other third parties associated with the contract.
SS3	Implement processes to review the impact of the Sustainability Strategy and identify if the strategy is achieving the desired outcome including verification and accreditation. Reference should be given to Government policy in respect of sustainability and is applicability to the Scheme.
SS4	Report progress on sustainability issues to the Authority.
SS5	Implement effective change control procedures to ensure the Sustainability Strategy continues to evolve and take on board developing good practice on sustainability over the life of the contract.

13.2 Apprenticeships, Trainees and Care Leavers

The Supplier will support the delivery of wider Government and Authority policy in respect of giving young people and adults, including care leavers, the opportunity to work for an Employer, learn on the job, build up knowledge and transferable skills and gain nationally recognised qualifications for working life. This requires the Supplier to have clear plans for the number and type of apprenticeship places available (including care leavers' apprenticeships) as a percentage of the workforce, or plans for apprenticeship service delivery hours, with details of how learning, learning assessment and accreditation will apply to the development routes planned and the methods that can be used to evaluate such provision.

The Supplier will be required to consider The Civil Service Apprenticeship Strategy 2021-2022 to produce and implement an Apprenticeship and Employee Training Strategy (AETS). The strategy is to be delivered over the Term of the Agreement in accordance with the expected target set by the Government for the public sector that 2.3% of the Supplier Personnel or the equivalent specified proportion of hours worked in delivering the contract (including administration and support staff and sub-contractors) are to be delivered by employees on a formal apprenticeship programme. The Supplier will promote the appropriate use of apprentices and employees in delivering the required service. The Supplier will need to balance the need for the core delivery of the service by competent and experienced staff against the proportion of apprentices and employee training that can be effectively supervised and with learning suitably assessed, validated, and accredited.

To support the delivery of wider Authority policy the Supplier will consider the Authority's DfE Care leavers' Covenant launched in October 2018. The Covenant commits to providing work-based opportunities to young people leaving the care system.

The Supplier will be required to:

Ref.	Requirement
ATC1	Produce an AETS that will that set out the approach and mechanisms to recruit and develop an appropriate proportion of apprentices as part

	of the service delivery workforce. The Supplier shall ensure that (within each financial year from the first contract Year) 2.3% of the Supplier Personnel are employees on a formal apprenticeship programme. In addition to the apprenticeship requirements, the Supplier shall provide further skills training opportunities for employees to aide in their continued personal development and to support in delivering the Services.
ATC2	The Supplier is required to make available, to all employees working on the contract, information about the Government's apprenticeship programme and wider skills opportunities.
ATC3	Ensure that the AETS sets out clearly the aims and objectives for apprentice and employee development.
ATC4	Have in place procedures and resource to effectively manage and implement the AETS including supervision, assessment, validation, and accreditation arrangements.
ATC5	Implement processes to review the impact of the AETS and identify if deliverables are achieving the desired outcomes.
ATC6	Report implementation progress to the Authority. The Supplier shall provide an annual written report on the following measures in the regular contract management reporting and be prepared to discuss apprenticeships at contract management meetings: • Number of individuals during the reporting period employed on this contract, including administrative & support staff and sub-contractors, number of apprentices and number of new starters on apprenticeships. • The percentage of all employees taking part in an apprentice programme. • Where appropriate, an explanation from the Supplier as to why the 2.3% target is not being met or why all young people (under eighteen (18)) are not on apprenticeships. • Actions being taken to improve take up of apprenticeships. Report other training/skills development being undertaken by employees including: • Work experience placements for fourteen (14) to sixteen (16) year olds. • Work experience /work trial placements for other ages. • Student sandwich/gap year placements. • Graduate placements. • Vocational Training. • Basic skills training. • On-site training provision/ facilities.

ATC7	Implement effective change control procedures to ensure the AETS continues to evolve appropriately over the life of the contract.
ATC8	Report on the numbers of care leavers recruited in the previous 12 months and those that continue to be employed over the life of the contract.

13.3 Modern Slavery

The Supplier will support the delivery of wider Authority policy in respect of The Modern Slavery Act 2015. The Supplier will ensure that measures are put in place directly related to their businesses and their supply chains. The Supplier will meet with the standards set out in the Codes of conduct for suppliers and grant recipients - GOV.UK (www.gov.uk) (as amended from time to time). This includes requirements to all applicable human rights and employment laws in the jurisdictions in which they work (including complying with the provisions of the Modern Slavery Act 2015).
The Supplier will be required to:

Ref.	Requirement
MS1	Implement a Modern Slavery Statement that must set out what steps the Supplier has taken during the previous financial year to ensure that modern slavery is not taking place in either their organisation or supply chain.
MS2	Maintain policies and procedures to ensure compliance with the Modern Slavery Act and include - in any contracts with its sub-contractors – appropriately robust anti-slavery and human trafficking provisions.
MS3	Implement due diligence procedures to ensure that there is no slavery or human trafficking in any part of its supply chain performing obligations under this contract, or any other contract.
MS4	Prepare an annual slavery and human trafficking report setting out the steps they have taken to ensure slavery and human trafficking is not taking place in any part of its business or supply chain.
MS5	Report the discovery or suspicion of any slavery or trafficking by it or its sub-contractors to the appropriate law enforcement agencies and discuss with the Scheme contract manager to develop a remedial action plan.
MS6	The Supplier shall report on its performance against the requirements in this Section 13.3 to the Risk Committee every month throughout the Term and in a form approved by the Authority.

13.4 Social Mobility

The Supplier will consider and support the Authority's overarching vision, strategy and delivery priorities, currently available in the DfE's Strategy - Opportunity Areas.

Ref.	Requirement
SM1	The Supplier will report the social mobility achievements given should any area of the work fall within the

	boundaries of the opportunity areas outlined in the above strategy.

Glossary of Abbreviations:

AAP – Annual Audit Plan
AETS - Apprenticeship and Employee Training Strategy
AS - Audit Strategy
ARC - Audit and Risk Committee
BAU - Business as Usual
CISD – Cyber & Information Security Division
DIP - Data Improvement Plan
DSAM - Department Security Assurance Model
DWP – Department for Work and Pension
EAS - Employee Authentication Service
EES - Employer engagement strategy
EEP - Employer engagement plan
ETP - Exit Transition Plan
EWC - Education Workforce Council
GAD - Government Actuary's Department
GLD – Government Legal Department
GMP - Guaranteed Minimum Pension
HMG – Her Majesty's Government
HMT – Her Majesty's Treasury
IDRP - Internal Dispute Resolution Procedure
MEP - Member engagement plan
MES - Member engagement strategy
NAO – National Audit Office
NCSC - National Cyber Security Centre
OBR - Office for Budget Responsibility
OGC - The Office of Government Commerce
PRC - Premature Retirements Compensation
PSIAS - Public Sector Internal Audit Standards
SIP - Service Innovation and Continuous Improvement Plan
SIS - Service Innovation and Continuous Improvement Strategy
SS - Sustainability Strategy
SOSR – Statement of Service Requirements
TAVC - Teachers' Additional Voluntary Contribution
TPR – The Pensions Regulator
TPS - Teachers' Pension Scheme
TPSAB - Teachers' Pension Scheme Advisory Board
TPSPB - Teachers' Pension Scheme Pension Board
TRA - Teaching Regulation Agency
TUPE - Transfer of Undertakings (Protection of Employment) Regulations 2006

SCHEDULE 2.2

SERVICE REQUIREMENTS - PERFORMANCE LEVELS

1. SCOPE

This Schedule 2.2 sets out the Service Levels and KPIs which the Supplier is required to achieve when delivering the Services, the Outcomes which are applicable to the Services, the mechanism by which Performance Failures will be managed and the method by which the Supplier's performance of the Services will be monitored. This Schedule comprises:

1.1 Part A: Service Levels and KPIs;

1.2 Part B: Outcomes;

1.3 Part C: Performance Monitoring;

1.4 Part D: Definitions;

1.5 Appendix 1 (Service Levels and KPIs); and

1.6 Appendix 2 (Outcomes).

2. DEFINITIONS

2.1 In this Schedule, the following definitions shall apply:

"Available"	has the meaning given in Paragraph 1.1 of Part D;
"End User"	any person authorised by the Authority to use the IT Environment and/or the Services;
"Fix Time"	has the meaning given in Paragraph 5.1 of Part D;
"Help Desk"	the single point of contact help desk set up and operated by the Supplier for the purposes of this Agreement;
"Non-Available"	in relation to the Supplier System or the Services, that the Supplier System or the Services are not Available;
"Performance Monitoring Report"	has the meaning given in Paragraph 1.1.1 of Part C;
"Performance Review Meeting"	the regular meetings between the Supplier and the Authority to manage and review the Supplier's performance under this

	Agreement, as further described in Paragraph 1.5 of Part C;
"Service Availability"	has the meaning given in Paragraph 2.1 of Part D;
"Service Downtime"	any period of time during which any of the Services are not Available; and
"System Response Time"	has the meaning given in Paragraph 3.1 of Part D.

PART A

SERVICE LEVELS AND KPIs

1. PRINCIPAL POINTS

1.1 The objectives of the Service Levels (and the related Service Points and Service Credits) and KPIs are to:

1.1.1 ensure that the Services are of a consistently high quality and meet the requirements of the Authority; and

1.1.2 incentivise the Supplier to meet the Service Levels and to remedy any failure to meet the Service Levels expeditiously.

2. SERVICE LEVELS

2.1 Part 1 of Appendix 1 to this Schedule sets out Service Levels applicable to the provision by the Supplier of the Operational Services the performance of which the Supplier has agreed to measure.

2.2 The Supplier shall monitor its performance of the Operational Services by reference to the Service Level(s) and shall send the Authority a Performance Monitoring Report detailing the level of performance which was achieved in accordance with the provisions of Part C of this Schedule**.**

2.3 If the level of performance of the Supplier during a Service Period in respect of the Services:

2.3.1 achieves the Service Level Targets, no Service Points will accrue to the Supplier in respect of that element of the Services; or

2.3.2 is below the Service Level Target in respect of a Service Level (a "**Service Level Failure**"), Service Points will accrue to the Supplier in respect of that Service Level as set out in paragraph 7.

2.4 Other than in respect of Service Level 4c in Table 3 of Part 1 of Appendix 1 (to which this paragraph shall not apply), Service Points will not accrue under this Agreement in respect of the Service Levels set out in Table 3 of Part 1 of Appendix 1 in any of the first three (3) calendar months following the Operational Service Commencement Date. Notwithstanding the foregoing: (a) the Supplier shall use all reasonable efforts to meet those Service Levels during that three (3) calendar month period; and (b) the disapplication of Service Points pursuant to this paragraph shall automatically cease to apply at the end of that period (such that Service Points shall accrue, where applicable, with effect from the beginning of the fourth calendar month after the Operational Service Commencement Date).

2.5 Notwithstanding Paragraph 2.4 above, if the level of performance of the Supplier during a Service Period constitutes a Critical Service Level Failure, the Authority shall be entitled to terminate this Agreement in whole or in part pursuant to Clauses 34.1 and 34.2 (*Termination by the Authority*) and/or seek

damages in addition to any Service Points which have already been accrued by the Supplier and for which Service Credits are payable by the Supplier to the Authority.

2.6 The number of Service Points that will accrue to the Supplier in respect of a Service Level Failure shall be the number set out in the final column headed "Service Points" in Table 3 in Part 1 of Appendix 1, unless the Service Level Failure is a Repeat Failure when the provisions of paragraph 3 shall apply.

3. REPEAT FAILURES

3.1 If a Service Level Failure occurs in respect of the same Service Level:

3.1.1 during two (2) consecutive Service Periods, the second and each subsequent consecutive Service Level Failure in respect of the same Service Level shall be a "**Repeat Failure**"; or

3.1.2 during two (2) or more Service Periods in any four (4) month period, the second (2^{nd}), third (3^{rd}) and fourth (4^{th}) (as applicable) such Service Level Failure in respect of the same service level shall also each be a "**Repeat Failure**".

for the avoidance of doubt any Service Level Failure cannot be counted as a Repeat Failure under both scenarios in the same Service Period.

3.2 If any Repeat Failure occurs, the number of Service Points that shall accrue to the Supplier in respect of such Repeat Failure shall be the number of Service Points that would normally accrue in respect of an initial Service Level Failure in respect of that Service Level multiplied in accordance with the process set out in Paragraph 1.12 in Part 1 of Appendix 1 to this Schedule.

4. RELATED FAILURES

4.1 If any specific Service Level refers to both Service Availability and System Response Times, the System Response Times achieved by the Supplier for any period of time during a Service Period during which the relevant Service or element of a Service is determined to be Non-Available shall not be taken into account in calculating the average System Response Times over the course of that Service Period. Accordingly, the Supplier shall not incur any Service Points for failure to meet System Response Times in circumstances where such failure is a result of, and the Supplier has already incurred Service Points for, the Service being Non-Available. For the avoidance of doubt, this Paragraph 4 shall only be applicable in the event that the Authority has exercised its right to convert the Service Availability and the System Response Times KPIs to Service Levels in accordance with Paragraph 8.5.

5. **NOT USED**

6. **NOT USED**

7. **SERVICE CREDITS**

7.1 Schedule 7.1 (*Charges and Invoicing*) sets out the mechanism by which Service Points shall be converted into Service Credits.

7.2 The Authority shall use the Performance Monitoring Reports provided pursuant to Part C of this Schedule to, among other things, verify the calculation and accuracy of the Service Credits, if any, applicable to each relevant Service Period.

7.3 Service Credits are a reduction of the amounts payable in respect of the Services and do not include VAT. The Supplier shall show the value of any Service Credits as a deduction from the amount due from the Authority to the Supplier in the invoice for the Service Period immediately succeeding the Service Period to which the Service Credits relate in accordance with the provisions of Schedule 7.1 (*Charges and Invoicing*) or, if no further invoice is due to be raised, the value of any Service Credits shall be recoverable by the Authority from the Supplier as a debt.

7.4 The Supplier confirms that it has modelled the Service Credits and has taken them into account in setting the level of the Charges. Both Parties agree that the Service Credits are a reasonable method of price adjustment to reflect poor performance.

8. **KEY PERFORMANCE INDICATORS**

8.1 Part 2 of Appendix 1 to this Schedule sets out KPIs applicable to the provision by the Supplier of the Operational Services the performance of which the Supplier has agreed to measure.

8.2 The Supplier shall monitor its performance of each of the KPIs and shall in the Performance Monitoring Report detail the level of performance which was achieved in accordance with the provisions of Part C of this Schedule.

8.3 The KPIs shall be formally reviewed every six (6) months during Outcome Years 1 to 3 and annually thereafter at the applicable monthly Performance Review Meeting. Any changes agreed at such meetings shall be documented and formalised using the Change Control Procedure.

8.4 Any changes to the KPIs that may be required by either Party outside of the formal reviews detailed in Paragraph 8.3 above shall be agreed using the Change Control Procedure. In addition, the latest set of KPIs shall be maintained by the Supplier on an online platform to be agreed between the Parties where they shall be available for inspection by the Authority at any time.

8.5 In the event that the Supplier persistently fails to achieve a KPI Target the Authority shall, following consultation with the Supplier, be entitled to (but not

obliged to) in its sole discretion convert the relevant KPI into a Service Level. Such conversion may take place on either a permanent basis or on a temporary basis until such time as the level of performance for that KPI is consistently meeting the relevant KPI Target. For the purposes of this Paragraph 8.5 a persistent failure of a KPI shall be where the Supplier has failed to deliver within ten percent (10%) below the relevant KPI Target for three (3) or more Service Periods in any six (6) consecutive Service Periods. The conversion of a KPI into a Service Level shall be formalised through the Change Control Procedure PROVIDED THAT the Supplier may not reject the proposed Contract Change and the total number of Service Points allocated to the existing Service Levels shall be re-allocated so that there is no increase in the aggregate total number of Service Points that the Supplier can accrue in any Service Period after the new Service Level has been added and hence there is no increase in the potential value of Service Credits payable across all of the Service Levels. Without prejudice to Clause 28 (Rectification Plan Process) of this Agreement, where the Supplier consistently delivers a KPI at around ninety percent (90%) of its KPI Target (or lower), but such failure does not fall within the criteria outlined in this Paragraph 8.5, the Parties shall, at the reasonable request of the Authority, discuss ways of improving the performance against such KPI (including, if appropriate, making the KPI into a Service Level for an interim period) and the Supplier shall implement any such agreed Rectification Plans.

8.6 In the event that the Authority exercises its right to withhold a proportionate amount of the Service Charges under Clause 7.2 (c) due to a Service Failure, then the Authority shall be entitled to establish a new KPI to monitor the Service in respect of which such Service Failure has arisen which shall be agreed between the Authority and the Supplier and formalised through the Change Control Procedure PROVIDED THAT the Supplier may not reject the proposed Contract Change. The Supplier shall monitor and report on such new KPI until such time as the failed Service is restored and operating for a period of three months to the reasonable satisfaction of the Authority, at which point, unless otherwise agreed between the Parties, the new KPI shall be removed from the KPI regime.

9. MAINTENANCE

9.1 The Maintenance Schedule shall be discussed and updated by the Service Delivery Board, as defined in and in accordance with the procedures set out in Schedule 8.1 (Governance).

9.2 Without prejudice to Clauses 9.4 and 9.6 of the Agreement, the Supplier will ensure that Permitted Maintenance is carried out in accordance with the timings specified in the Maintenance Schedule, unless otherwise agreed in writing with the Authority. Notwithstanding the foregoing, the Supplier will ensure that Permitted Maintenance is not carried out between 08:00 and 18:00 on any Working Day.

9.3 The Supplier shall be allowed to book a maximum of four (4) hours Service Downtime for Permitted Maintenance in any one Service Period which shall

take place between the hours and on the day specified in the Maintenance Schedule unless otherwise agreed in writing with the Authority.

PART B

OUTCOMES

1. PRINCIPAL POINTS

1.1 The objectives of the Outcomes and the related Outcome Charges are to:

1.1.1 ensure that the Services are of a consistently high quality and meet the requirements of the Authority;

1.1.2 provide a mechanism whereby the Authority can reward the Supplier for meeting set levels of achievement in relation to Outcomes which it has contracted to deliver; and

1.1.3 incentivise the Supplier to meet the Outcomes and to remedy any failure to meet the Outcomes expeditiously.

2. OUTCOMES

2.1 Table 1 of Appendix 2 sets out the list of Outcomes that will apply with effect from the Operational Service Commencement Date until the end of the Initial Term, unless and to the extent that any changes to the Outcomes are agreed between the Parties in accordance with the terms of this Agreement using the Change Control Procedure.

2.2 Other than in respect of Outcomes 13and 16 (to which this paragraph shall not apply), if the actual performance by the Exiting Supplier in the final measurement period of the agreement between the Authority and the Exiting Supplier was lower than that required to trigger the Outcome Charges in the first three (3) calendar months following the Operational Service Commencement Date, the Authority shall during each of those first three (3) calendar months pay the relevant Outcome Charges for each of those months to the Supplier.

2.3 During the three (3) month period following the Operational Services Commencement Date, the Parties shall discuss and seek to agree (through the Change Control Procedure) changes to the Outcome Charges performance requirements for each of calendar months four (4) to twelve (12) following the Operational Services Commencement Date, with a view to reflecting the remedial efforts which may be required by the Supplier during the first year of the Term to bring the level of performance of the Services up to the required levels as set out in this Agreement. Following agreement of any such changes through the Change Control Procedure, the relevant amended performance requirements for each of months four (4) to twelve (12) shall then be used to calculate whether the relevant Outcome Charge for any of those months is payable by the Authority to the Supplier. Notwithstanding the foregoing: (a) failing such agreement, the standards as set in this Schedule shall continue to apply for months four (4) to twelve (12); and (b) with effect from the first anniversary of the Operational Services Commencement Date, the performance requirements relating to the Outcome Charges as otherwise set out in this Schedule shall automatically apply.

3. OUTCOME TARGETS

3.1 Each Outcome will have a Target Performance Level that the Supplier shall achieve by the end of each Outcome Year commencing with Outcome Year 1 and ending at the expiry of the Initial Term.

3.2 Subject to Paragraph 5 below, the list of Outcomes and their Target Performance Levels are set out in Table 1 of Appendix 2.

4. INTENTIONALLY LEFT BLANK

5. REVIEW OF OUTCOMES AND TARGETS POST OUTCOME YEAR 3

5.1 At the end of Outcome Year 3 the Parties shall review all of the Outcomes to determine whether they are still applicable for the remainder of the Initial Term or whether alternative Outcomes should be introduced in place of some or all of the existing Outcomes.

5.2 Where new Outcomes are agreed these shall be inserted into Table 1 of Appendix 2 in place of the Outcomes that they are intended to replace using the Change Control Procedure. The Target Performance Levels for any new Outcomes shall be set by agreement between the Parties, both acting reasonably, using a methodology and/or validating technique to be mutually agreed and in accordance with Good Industry Practice.

5.3 It is the Authority's expectation that the Target Performance Levels for subsequent Outcome Years will reflect a reasonable increase in performance over the remaining period of the Initial Term taking into account all relevant factors, including the Supplier's knowledge of and ability to influence the new Outcomes, the effects of known market and/or other external factors on the Supplier's ability to improve upon the results achieved in prior years the level of payment being made by the Authority for such activities, and any other relevant factors that either Party, acting reasonably, may raise.

5.4 Where the existing Outcomes are retained the Parties will, acting reasonably, review the Target Performance Levels for the remaining years of the Initial Term and it is the Authority's expectation that the Parties will agree amendments to the Target Performance Levels documented in Table 1 to Appendix 2 to reflect at least the level of achievement that has been reached up to that point and any reasonable incremental increases for the remainder of the Initial Term . As a result the targets set for the remainder of the Initial Term may be increased or decreased from the level set at the Effective Date. Any such changes shall be recorded using the Change Control Procedure. In the absence of any other agreement the targets in Table 1 to Appendix 2 shall remain unchanged.

6. OUTCOME WEIGHTINGS

6.1 Each of the Outcomes has been assigned a weighting to reflect its relative importance compared to the other Outcomes. These weightings are shown in Table 1 of Appendix 2 (and shall be referred to as the "**Weightings"**).

6.2 The Weightings shown in Table 1 of Appendix 2 are used to determine the level of the Outcome Charges applicable to each Outcome. The Outcome Charges are set out in Annex 1 to Schedule 7.1 (*Charges and Invoicing*).

7. NOT USED

8. AMENDMENTS TO OUTCOME CHARGES

8.1 In the event that the Parties wish to amend all or any of the Outcome Charges, the following principles shall apply:

8.1.1 the aggregate value of the Outcome Charges shall not exceed the amounts set out in Schedule 7.1 (*Charges and Invoicing*) (subject to Indexation);

8.1.2 the Outcome Charges payable for the achievement of each individual Outcome will be set to reflect the relative importance attached to each Outcome using the Weightings applied to that Outcome;

8.1.3 no single Outcome will carry more than twenty percent (20%) of the total Outcome Charges; and

8.1.4 the number of Outcomes in any Outcome Year shall never be less than six (6). This is required to ensure a good level of performance monitoring is achieved for the Authority across a wide range of Outcomes.

9. MEASUREMENT OF PERFORMANCE AGAINST OUTCOMES

9.1 The Supplier shall monitor its performance against each of the Outcomes 1 to 15 and the Authority will monitor the Supplier's performance against Outcome 16 each on an annual basis at the end of each Outcome Year commencing from Outcome Year 1 until the end of the Initial Term.

9.2 The measurement of the Supplier's performance against each Outcomes will be conducted by an independent external research agency ("**Agency**") who shall be appointed, each year, by the Supplier (with the Authority's approval) to act as an independent expert to review the Supplier's performance against the Target Performance Levels.

9.3 The Supplier will run a competitive tendering process to appoint a suitable Agency and such process and subsequent appointment shall be at the Supplier's cost.

9.4 The appointed Agency shall be an independent and appropriately experienced research agency who has experience in undertaking similar surveys and is appropriately quality assured. The Supplier will ensure that the selected Agency acts in full compliance with the requirements of Data Protection Legislation and that all data processing, verification and accumulation performed by the Agency is conducted within the requirements of Data Protection Legislation and Clause 24 (*Protection of Personal Data*).

9.5 The Supplier will ensure that the Agency conducts its research and performs the surveys in compliance with Market Research Society (**MRS**) guidelines.

10. METHOD OF MEASURING PERFORMANCE AGAINST TARGET PERFORMANCE LEVELS

10.1 The Supplier (via its appointed Agency) will survey Members and Employers with a series of pre-determined questions relating to the Outcomes. The responses to each of these pre-determined questions shall be scored and used to assess the Contractor's level of performance against the relevant Target Performance Levels for Outcomes 1 to 7 and 9 to 11.

10.2 The list of pre-determined questions for each of Outcomes 1 to 7 and 9 to 11 are shown in Table 5 of Appendix 2.

10.3 No later than six months following the Implementation Services Commencement Date, the Parties will, both acting reasonably, agree via the Change Control Procedure the methodology by which Supplier performance against Outcomes will be measured in accordance with Good Industry Practice. In the absence of any such agreement, no Outcome Charges will be payable to the Supplier.

11. REPORTING PERFORMANCE AGAINST ALL OUTCOMES

11.1 Supplier's performance with regard to Outcomes shall be collated, analysed and documented in the Performance Monitoring Reports that shall be delivered by Supplier to the Authority in accordance with Part C of this Schedule.

12. CALCULATION OF OUTCOME CHARGES PAYABLE

Outcomes 1 to 11

12.1 If the level of performance of the Supplier in relation to Outcomes 1 to 11 during the Outcome Year under review achieves the levels shown in column one of Table 2 below, then the percentage of the relevant Outcome Charge shown in column two of Table 2 below shall be payable by the Authority to the Supplier provided that the level of performance of the Supplier in relation to Outcomes 2, 3, 5, 6, 7, 9, 10 and 11 in the three months immediately following the Operational Services Commencement Date shall not be taken into account in determining the Outcome Charge payable to the Supplier in the first Outcome Year only.

Table 2

Achievement of Target	Percentage of Outcome Charge Payable
100%	100%

95% or above	90%
90% or above	80%
85% or above	50%
Below 85%	Zero

12.2 If the Supplier over achieves in any Outcome Year then it shall be treated as if the Supplier has achieved 100% of the Target Performance Level and shall be paid the full Outcome Charge. No bonus shall be paid for over achievement and the over achievement shall not be carried forward into the following Outcome Year.

Outcome 12

12.3 In respect of Outcome 12, the Supplier's performance shall be assessed against each of the four (4) elements of Outcome 12 (namely Outcomes 12 (a) to 12(d)). The Supplier shall be entitled to receive a proportion of the Outcome Charge for Outcome 12 where the Supplier's performance against an individual element of Outcome 12 (namely Outcomes 12 (a) to 12 (d)) achieves the level shown in column 2 of Table 3. For the avoidance of doubt, the Supplier's failure to perform against one (1) or more of the elements of Outcome 12 shall not impact upon its right to be paid for the remaining elements.

Table 3

Outcome	Achievement of Target Increase	Percentage of Outcome Charge Payable
Outcome 12 (a)	100% <100%	100% Zero
Outcome 12 (b)	100% <100%	100% Zero
Outcome 12 (c)	100% <100%	100% Zero
Outcome 12 (d)	100% <100%	100% Zero

Outcome 13

12.4 In respect of Outcome 13, if the level of performance of the Supplier, during the Outcome Year under review achieves the Target Performance Levels shown in Table 1 of Appendix 2 of Schedule 1, then the Supplier shall receive all of the applicable Outcome Charge for Outcome 13. If the level of performance does not achieve the Target Performance Levels shown in Table 2 of Appendix 2 of Schedule 1 then no Outcome charge shall be paid for Outcome 13. For the avoidance of doubt, the Supplier must achieve the Target Performance Levels for both Outcomes 13(a) and 13(b) in order to achieve payment of the Outcome Charge applicable to Outcome 13.

Outcomes 14 and 15

12.5 In respect of Outcomes 14 and 15, the same rationale applies for both Outcomes; achievement is measured as set out in the targets in Table 1 of Appendix 2 of Schedule 1.

12.6 **Outcome 16**

12.6.1 Outcome 16 will measure five aspects of the Operational Services and the Supplier's behaviours in demonstrating partnership working.

12.6.2 At each Quarterly Strategy Board (as defined in Schedule 8.1 (*Governance*)), the Authority will give an indication of its assessment at that stage of the Outcome Year of the Supplier's performance against each of the five behaviours set out in Table A below. The Quarterly Strategy Board will provide an opportunity for the Parties to discuss the evidence used in the assessment and hear the Authority's views. Any issues may be addressed or alternatively the Authority may re-assess its views, in light of evidence provided by the Supplier.

12.6.3 The assessment will be provided by the Authority Representative on behalf of the Authority, primarily taking account of views provided by other members of the Authority's pensions team, but also reflecting views of the Employer and Member representatives through Teachers' Pension Action Forum (TPAF) Group. The assessment will only reflect evidence-based views, which clearly set out the basis of the opinion and the supporting rationale. The assessment will also take account of any evidence that the Supplier provides in advance of the assessment (although there will be no obligation on it to do so).

12.6.4 This is not intended to be a lengthy process, but will ensure that the Supplier is aware of any concerns from the Authority, in order that it can address the issues before the expiry of each Outcome Year. At the expiry of each Outcome Year, the Authority will provide final scores against the behaviours, based on performance throughout the Outcome Year and an assessment carried out in accordance the provisions set out above, which will be used to calculate the Outcome Charges.

12.6.5 How the total score will be calculated:

Each of the five behaviours will be scored 1 – 5 in accordance with Table B below, giving a maximum score of 25. This score will be multiplied by four, to give a percentage score, e.g. scores of 3, 3, 3, 4 and 5 is a total of 18, which is 72%, scores of 2, 3, 4, 5 and 5 is a total of 19, which is a total of 76% and 4, 4, 4, 5 and 5 is 22, which is 88%.

12.6.6 Provided the Supplier achieves a minimum score of 3 in all five of the behaviours set out in Table A below, the percentage score in Table C below will be used to calculate the Outcome Charge. A score of 1 in any of the five behaviours will result in no payment against Outcome 16, irrespective of performance in respect of the other behaviours. If a score of 2 in one of the behaviours is achieved, the Supplier will only be entitled to receive 50% of the Outcome Charge that would otherwise be due for its total score for Outcome 16. For example, if four behaviours score 5 and one behaviour scores a 2, the overall score will be 88% notionally entitling the Supplier to 85% of the Outcome Charge for Outcome 16. However, as one of the behaviours is a score of 2, the Supplier is only entitled to receive 42.5% of the Outcome Charge for Outcome 16. In the event that two or more scores of 2 are achieved, the Supplier will receive no payment in respect of Outcome 16.

Table A: Behaviours

Flexibility	The Supplier adapts to changing conditions, requirements and priorities, and makes changes to solutions and delivery to meet those challenges
Supportive	The Supplier understands and responds to the challenges, political drivers and parameters that the Authority and the Teachers' Pension Scheme operate within
Technically Expert Partner	The Supplier provides people and resources demonstrating expert, relevant and thorough knowledge of the Teachers' Pension Scheme, public and private sector pension schemes and the wider pension landscape.
Forward thinking	The Supplier considers future challenges, is progressive in planning for any future changes that may make a difference to the scheme and presents analysis to the Authority ahead of the challenge.
Client Relationship	The continually improves by recognising the wider landscape and consulting with the Authority to deliver effective, value for money services.

12.6.7 The Authority will score the performance of the Supplier against each behaviour on the following basis:

Table B

Score	Descriptor
1 - Poor	the relevant Operational Service or behaviours consistently fails to meet expectations.
2 - Unsatisfactory	the relevant Operational Service or behaviours are occasionally adequate but regularly fail to meet expectations.
3 - Adequate	the relevant Operational Service and behaviours consistently meet the minimum expected standard.
4 - Good	the relevant Operational Service and behaviours are consistently adequate and regularly exceed expectations.
5 - Excellent	the relevant Operational Service and behaviours consistently exceed expectations.

Table C

Total Percentage Score in respect of the 5 behaviours	Percentage Payment of the applicable Outcome Charge
60%	50%
64%	55%
68%	60%
72%	65%
76%	70%
80%	75%
84%	80%
88%	85%
92%	90%
96%	95%
100%	100%

Outcomes 1 to 16

If the level of performance of the Supplier, during any Outcome Year, is such that the Authority is not required to make a full payment or partial payment against one or more of the Outcome Charges for Outcomes 1 to 16, then such non-payment or partial payment shall be the Authority's exclusive financial remedy for the Supplier's failure to perform against the relevant Outcomes, but shall be subject to the provisions of Clause 7.2(b) (*Performance Failures*).

13. PAYMENT OF OUTCOME CHARGES

The payment of the Outcome Charges shall be made in accordance with Part E of Schedule 7.1 (Charges and Invoicing).

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PART C

PERFORMANCE MONITORING

This Part C is to be read in conjunction with Schedule 8.1 (*Governance*).

1. PERFORMANCE MONITORING AND PERFORMANCE REVIEW

1.1 Within ten (10) Working Days of the end of each Service Period, the Supplier shall provide:

1.1.1 a report to the Authority Representative which summarises the performance by the Supplier against each of the Service Levels, KPIs and Outcomes as more particularly described in Paragraph 1.2 (the "**Performance Monitoring Report**"); and

1.1.2 a report created by the Supplier to the Authority's senior responsible officer which summarises the Supplier's performance over the relevant Service Period as more particularly described in Paragraph 1.3 (the "**Balanced Scorecard Report**").

Performance Monitoring Report

1.2 The Performance Monitoring Report shall be in such format as agreed between the Parties from time to time and contain, as a minimum, the following information:

Information in respect of the Service Period just ended

1.2.1 for each Service Level and KPI, the actual performance achieved over the Service Period and that achieved over the previous 3 Measurement Periods;

1.2.2 within two (2) months of the end of each Outcome Year, the actual performance achieved in the relevant Outcome Year for each Outcome and that achieved over the all previous Outcome Years in which the Outcomes were measured;

1.2.3 a summary of all Performance Failures that occurred during the Service Period;

1.2.4 which Performance Failures remain outstanding and progress in resolving them;

1.2.5 the cause of the relevant Performance Failure and the action being taken to reduce the likelihood of recurrence;

1.2.6 the status of any outstanding Rectification Plan processes, including:

(a) whether or not a Rectification Plan has been agreed; and

(b) where a Rectification Plan has been agreed, a summary of the Supplier's progress in implementing that Rectification Plan;

1.2.7 for any Repeat Failures, actions taken to resolve the underlying cause and prevent recurrence;

1.2.8 the number of Service Points awarded in respect of each Service Level Failure;

1.2.9 the Service Credits to be applied, indicating the Service Level Failure(s) to which the Service Credits relate;

1.2.10 the conduct and performance of any agreed periodic tests that have occurred, such as the annual failover test of the Service Continuity Plan;

1.2.11 relevant particulars of any aspects of the Supplier's performance which fail to meet the requirements of this Agreement;

1.2.12 such other details as the Authority may reasonably require from time to time; and

Information in respect of previous Service Periods

1.2.13 a rolling total of the number of Performance Failures that have occurred over the past six Service Periods;

1.2.14 the amount of Service Credits that have been incurred by the Supplier over the past six Service Periods;

1.2.15 the conduct and performance of any agreed periodic tests that have occurred in such Service Period such as the annual failover test of the Service Continuity Plan; and

Information in respect of the next Quarter

1.2.16 any scheduled Service Downtime for Permitted Maintenance and Updates that has been agreed between the Authority and the Supplier for the next Quarter.

Balanced Scorecard Report

1.3 The Balanced Scorecard Report shall be presented in the form of an online accessible dashboard and, as a minimum, shall contain a high level summary of the Supplier's performance over the relevant Service Period, including details of the following:

1.3.1 financial indicators;

1.3.2 the Service Levels, KPIs and Outcomes achieved;

1.3.3 behavioural indicators;

1.3.4 performance against its obligation to pay its Sub-contractors within thirty (30) days of receipt of an undisputed invoice;

1.3.5 performance against its obligation to pay its Unconnected Sub-contractors within sixty (60) days of receipt of an invoice;

1.3.6 Milestone trend chart, showing performance of the overall programme;

1.3.7 sustainability and energy efficiency indicators, for example energy consumption and recycling performance; and

1.3.8 Social Value (as applicable).

1.4 The Performance Monitoring Report and the Balanced Scorecard Report shall be reviewed and their contents agreed by the Parties at the next Performance Review Meeting held in accordance with Paragraph 1.5.

1.5 The Parties shall attend meetings on a monthly basis (unless otherwise agreed) to review the Performance Monitoring Reports and the Balanced Scorecard Reports. The Performance Review Meetings shall (unless otherwise agreed):

1.5.1 take place within five (5) Working Days of the Performance Monitoring Report being issued by the Supplier;

1.5.2 take place at such location and time (within normal business hours) as the Authority shall reasonably require (unless otherwise agreed in advance); and

1.5.3 be attended by the Supplier Representative and the Authority Representative.

1.6 The Authority shall be entitled to raise any additional questions and/or request any further information from the Supplier regarding any Performance Failure.

2. RECORDS

2.1 The Supplier shall keep appropriate documents and records (e.g. Performance Failure Log, Supplier Personnel records, Help Desk records, timesheets, training programmes, queries and complaints logs etc) in relation to the Services being delivered and the other requirements to be satisfied. Without prejudice to the generality of the foregoing, the Supplier shall maintain accurate records of call histories for a minimum of twelve (12) months and provide prompt access to such records to the Authority upon the Authority's request. The records and documents of the Supplier shall be available for inspection by the Authority and/or its nominee at any time and the Authority and/or its nominee may make copies of any such records and documents.

2.2 In addition to the requirement in Paragraph 2.1 to maintain appropriate documents and records, the Supplier shall provide to the Authority such supporting documentation as the Authority may reasonably require in order to verify the level of the performance of the Supplier both before and after the Operational Service Commencement Date and the calculations of the amount of Service Credits and Outcome Charges for any specified period.

2.3 The Supplier shall ensure that the Performance Monitoring Report, the Balanced Scorecard Report (as well as historic Performance Monitoring Reports and historic Balance Scorecard Reports) and any variations or amendments thereto, any reports and summaries produced in accordance with this Schedule and any other document or record reasonably required by the Authority are available to the Authority on-line and are capable of being printed.

3. PERFORMANCE VERIFICATION

3.1 The Authority reserves the right to verify the Availability of the Supplier System and/or the Services and the Supplier's performance under this Agreement against the Performance Indicators including by sending test transactions through the Supplier System or otherwise.

PART D

DEFINITIONS

1. AVAILABLE

1.1 The Supplier System and/or the Services shall be Available when:

1.1.1 End Users are able to access and utilise all the functions of the Supplier System and/or the Services; and

1.1.2 the Supplier System is able to process the Authority Data and to provide any required reports within the timescales set out in the Services Description (as measured on a 24 x 7 basis); and

1.1.3 all Service Levels other than Service Availability are above the Service Level Targets.

2. SERVICE AVAILABILITY

2.1 Service Availability shall be measured as a percentage of the total time in a Service Period, in accordance with the following formula:

Service Availability % = $\frac{(MP-SD) \times 100}{MP}$

where:

MP = total number of minutes, excluding Permitted Maintenance and Emergency Maintenance, within the relevant Service Period; and

SD = total number of minutes of Service Downtime, excluding Permitted Maintenance and Emergency Maintenance, in the relevant Service Period.

2.2 When calculating Service Availability in accordance with this Paragraph 2:

2.2.1 Service Downtime arising due to Permitted Maintenance that is carried out by the Supplier in accordance with Clause 9.4 (*Maintenance*) shall be subtracted from the total number of hours in the relevant Service Period; and

2.2.2 in the event that Service Availability is converted from a KPI to a Service Level in accordance with Paragraph 8.5 of Part A of this Schedule, Service Points shall accrue if:

(a) any Service Downtime occurs as a result of Emergency Maintenance undertaken by the Supplier; or

(b) where maintenance undertaken by the Supplier exceeds four (4) hours in any Service Period, or such other number of hours in any Service Period as is agreed by the Parties in writing through the Change Control Procedure in the six (6) month period following the Effective Date.

3. RESPONSE TIMES

3.1 The "**System Response Time**" is the round trip time taken to process a message or request of the Supplier System and/or the Services, and shall be measured from the moment the last packet of data which relates to a particular message is received at the external interface of the Supplier System until a response is generated and the first block of data leaves the external interface (including, for the avoidance of doubt, the time taken for any necessary processing).

3.2 The Supplier System's Response Time shall be the average System Response Time measured over the course of a Service Period.

4. HELP DESK RESPONSE TIMES

4.1 Measurement of Help Desk response times will be based on the time taken for a Help Desk operative to answer a call. Measurement will start from the point the caller completes the IVR choices and selects to be put through to an operator. Calls receiving an automated response or placed into a queuing system shall be deemed not to have been answered.

4.2 The Supplier shall monitor the Help Desk response times and shall provide the results of such monitoring to the Authority in accordance with the provisions of Part C of this Schedule.

5. FIX TIMES

5.1 The "**Fix Time**" of a Service Incident is the period from the time that the Service Incident has been reported to the Supplier to the point of its Resolution and "**Resolution**" means in relation to a Service Incident either:

5.1.1 the root cause of the Service Incident has been removed and the Services are being provided in accordance with the Services Description and Service Levels; or

5.1.2 the Authority has been provided with a workaround in relation to the Service Incident deemed acceptable by the Authority.

5.2 Fix Times for Severity 3 Service Incidents, Severity 4 Service Incidents and Severity 5 Service Incidents shall be measured in Operational Hours.

Worked example: **if the Operational Hours for a fault are 0800-1800, then the clock stops measuring Fix Time at 1800 in the evening and restarts at 0800 the following day**

5.3 Fix times for Severity 1 Service Incidents and Severity 2 Service Incidents shall be measured 24x7.

5.4 The Supplier shall measure Fix Times as part of its service management responsibilities and report periodically to the Authority on Fix Times as part of the Performance Monitoring Report.

5.5 For the purposes of this Paragraph 5, the following expressions shall have the meanings set opposite them below:

"Operational Hours"	In relation to any Service, the hours for which that Service is to be operational as set out in Schedule 2.1 (*Services Description*);
"Service Incident"	a reported occurrence of a failure to deliver any part of the Services in accordance with the Authority Requirements or the Performance Indicators;
"Severity 1 Service Incident"	a Service Incident which, in the reasonable opinion of the Authority: a) constitutes a loss of the Service which prevents a large group of End Users from accessing the Services; b) has a critical impact on the activities of the Authority; c) causes significant financial loss and/or disruption to the Authority; or d) results in any material loss or corruption of Authority Data; ***Non-exhaustive examples:*** • a loss of power to a data centre causing failure of Services; or • a failure of the Services to provide user authentication service;
"Severity 2 Service Incident"	a Service Incident which, in the reasonable opinion of the Authority has the potential to: a) have a major (but not critical) adverse impact on the activities of the Authority and no workaround acceptable to the Authority is available; b) have a major (but not critical) adverse impact on the activities of the Authority and no workaround acceptable to the Authority is available; or c) cause a financial loss and/or disruption to the Authority which is more than trivial but less severe than the significant financial loss described in the definition of a Severity 1 Service Failure; ***Non-exhaustive examples:*** • corruption of organisational database tables; or • loss of ability to update Authority Data.

"Severity 3 Service Incident"	a Service Incident which, in the reasonable opinion of the Authority has the potential to: a) have a major adverse impact on the activities of the Authority which can be reduced to a moderate adverse impact due to the availability of a workaround acceptable to the Authority; or b) have a moderate adverse impact on the activities of the Authority; ***Non-exhaustive example:*** • inability to access data for a class of customers;
"Severity 4 Service Incident"	a Service Incident which, in the reasonable opinion of the Authority has the potential to have a minor adverse impact on the provision of the Services to End Users ***Non-exhaustive example:*** • inability to access data for a single End User; and
"Severity 5 Service Incident"	a Service Incident comprising a flaw which is cosmetic and, as such, does not undermine the User's confidence in the information being displayed; ***Non-exhaustive examples:*** • spelling error; or • misalignment of data on screen display.

6. VIRTUAL LIBRARY COMPLETENESS

6.1 The Virtual Library shall be complete where all of the information required under Schedule 8.4 (*Reports and Records Provisions*) Annex 3 (*Virtual Library*) has been uploaded to the Virtual Library in accordance with Paragraph 4 of that Schedule.

APPENDIX 1

SERVICE LEVELS AND KPIS

PART 1 – SERVICE LEVELS

1. SERVICE LEVEL DESCRIPTIONS

1.1 Table 3 of this Appendix 1 contains a list of the Service Levels that will apply with effect from the Operational Service Commencement Date.

1.2 Table 3 of this Appendix 1 includes the following information under each of the headings in the table:

1.2.1	Number	The unique reference number for each Service Level
1.2.2	Name	The name of the Service Level
1.2.3	Service Level	A description of the Service Level
1.2.4	Service Level Target	The level of performance to be achieved
1.2.5	Frequency	The period over which the Service Level will be measured
1.2.6	Lets	The number of cases the Supplier can fail before being deemed to have failed the Target. By way of an example, if the Service Level Target is set at 100% and there are 5 “Lets” and the volume of cases in a particular Service Period is 1000, then provided the Supplier has met the Target for 995 cases it will be deemed to have met the 100% Target.
1.2.7	Service Points	The points that will accrue if the Supplier fails to achieve the relevant Target.

Service Level Measurement

1.3 Table 4 of this Appendix 1 contains information in respect of the measurement of the Service Levels that are listed in Table 3 of this Appendix 1 and includes the following information under each of the headings in the table.

1.3.1	Service Level	A description of the Service Level, which should be identical to the corresponding Service Level description in Table 3 of this Appendix 1.
1.3.2	Tasks to be Measured	The activities to be measured in order to determine whether the Service Level Target has been met.
1.3.3	Source of Measurement Data	The source of the data and/or information to be measured to determine whether the Service Level Target has been met.
1.3.4	Measurement Criteria	Clarification about how performance will be measured against the Service Level Target and any issues or peculiarities that need to be taken account of.
1.3.5	Normal Hand Off Events	A summary of the normal hand off events where the Supplier will need to request information, decisions or actions from the Authority and/or a third party.
1.3.6	Justification	Provided for background information only, this explains why the Service Level was considered important enough to be included in the Service Level regime.
1.3.7	Associated KPIs	Details the KPIs which are associated with the particular Service Level.

1.4 The information in Table 4 of this Appendix 1 is intended to supplement and clarify the information in Table 3 of this Appendix 1. In the event of any conflict or inconsistency between the two tables, Table 3 shall take precedence.

1.5 Each Service Level will be measured at the frequency shown in Table 3.

1.6 The start point for the measurement of each Service Level will be the receipt of the relevant work item, which provided it is received on or before 12 noon shall be treated as 'Day 1'. Items received after 12 noon shall be treated as being received on the next Working Day which shall be treated as 'Day 1'. Hence, if a Service Level is for a 5 Working Day time period, and the trigger item (to start the measurement) is received on or before 12 noon on a Monday, the activity must be completed by close of business on Friday. However, if the trigger item (to start the measurement) is received after 12 noon on a Monday then the activity must be completed by close of business on the following Monday.

1.7 Not Used

1.8 Only Working Days will be included in the calculation of elapsed time and hence weekends and public holidays in England and Wales will be removed from any calculation of Service Level elapsed time.

1.9 Not Used.

Service Level Performance Calculation

1.10 Performance against Service Levels will be calculated as follows:

1.10.1 Information on performance will be extracted from the measurement source shown in Table 4 under the heading of "Source of Measurement Date" taking into account any case Lets (as referenced in paragraph 1.2.6 of this Part 1 – Service Levels of Appendix 1 above) shown in Table 3.

1.10.2 The performance level will then be computed in accordance with the following formula and limited to a maximum achieved level of 100%:

$$\frac{(A+B)}{C} = \text{achieved level}$$

Where:

A = Volume of cases completed within turnaround time during the relevant measurement period
B = The number of Lets (as referenced in paragraph 1.2.6 of this Part 1 – Service Levels of Appendix 1 above) applicable during the measurement period
C = The total number of cases completed during the relevant measurement period

Service Points

1.11 Service Points will accrue to the Supplier where the expected Service Level Target in respect of a Service Level has not been achieved. The number of Service Points will vary depending on the severity of the Service Level Failure, and shall be the number set out in the final column headed "Service Points" in Table 3 below, unless the Service Level Failure is a Repeat Failure when the provisions of Paragraph 1.12 of this Part 1 – Service Levels of Appendix 1 shall apply.

Service Level Points Multiplier for Repeat Failures

1.12 If a Repeat Failure occurs, the number of Service Points shall be the number of Service Points that would normally accrue in respect of a Service Level Failure of the relevant Service Level multiplied by the multiplier show in Table 1 depending on the number of Repeat Failures.:

Table 1 - **Multipliers for Repeat Failures**

Number of Repeat Failures	Multiplier

0	1
1st Repeat Failure	1.2
2nd Repeat Failure	1.4
3rd Repeat Failure	1.6
4th Repeat Failure	1.8
5th and each subsequent Repeat Failure	2.0

Conversion of Service Points into Service Credits

1.13 The total number of Service Points that accrue for all Service Levels in each Service Period shall be calculated in accordance with this Part 1 – Service Levels of Appendix 1 and used to determine the level of Service Credits (if any) to be paid by the Supplier to the Authority for that Service Period in accordance with the provisions of Paragraph 3 of Part C of Schedule 7.1 (Charging and Invoicing).

Table 2 - Not used

1.14 The payment of Service Credits shall be made in accordance with Part E of Schedule 7.1 (Charges and Invoicing).

Service Levels

1.15 Table 3 below documents the Service Levels to be met by the Supplier. For the avoidance of doubt the Target timescales documented in column 4 reflect the processing time to be taken by the Supplier and exclude any time taken by the Authority and/or a third party to provide information, actions or decisions requested by the Supplier that are needed to complete the processing of the case:

Table 3 **Service Levels**

No	Name	Service Level	Service Level Target	Freq.	Lets	Service Points
1	Retirement Benefit Payments	Accurately calculate and pay retirement benefits, including any appropriate lump sum payment in accordance with statutory entitlements. This includes applications for ill health benefits.	100% by payable date, or if a late application 100% within 10 Working Days of receiving an application form	Monthly	5	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 50 <90% = 90
2	Pension Payments	Create and operate a pension payroll schedule to ensure that pensions are paid each Working Day	100% on the due date	Monthly	0	<100% = 100
3	Change of Entitlement	Where a change of entitlement occurs, all benefits are accurately recalculated and paid to reflect statutory entitlement, including as appropriate abatement or suspension of payment	100% within 10 Working Days of notification received or becoming aware through other means.	Monthly	5	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 50 <90% = 90
4a	Death (Initial contact / assessment of benefit)	The assessment of an application for any **death benefits** to ensure all information is complete and	100% within 3 Working Days of receipt of the bereavement application form.	Monthly	5	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25

		suitable for the calculation of the benefit.				
4b	Teacher Death (death in service) Member Death with family benefit	The accurate and timely calculation of payment of benefits under the Teachers' Pension Scheme following the receipt of complete application information for bereavement benefits.	100% within 7 Working Days of receipt of the completed application form.	Monthly	5	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25 <90% = 50
4c	Death Benefit Payments (No-continuing entitlement)	The timely communication to confirm that the case has been finalised and there is no further entitlement from the scheme.	100% within 10 Working Days of receipt of the completed application form.	Monthly	5	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25
5a	Transfers In	On receipt of all the information relevant to a transfer into the Teachers' Pension Scheme, notify the Member of the service credit and issue instructions on how to proceed	a) 80% within 8 Working Days and 100% within 10 Working Days	Monthly	8	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25
5b	Transfers In	On receipt of payment, accurately update the Member record and inform the Member	b) 80% within 5 Working Days and 100% within 7 Working Days	Monthly	8	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25
6a	Transfers Out	On receipt of all necessary requirements, notify the receiving scheme of the estimated transfer value	a) 80% within 8 Working Days and 100% in 10 Working Days or as required by applicable Law whichever is sooner	Monthly	8	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25

6b	Transfers Out	On receipt of acceptance of the estimate from the Receiving Scheme, pay the transfer value and notify them of the payment	b) 80% within 3 Working Days and 100% within 4 Working Days	Monthly	8	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25
7	Scheme Elections	The accurate and timely updating of records following an election made by the Member which will impact their membership of the Teachers' Pension Scheme and the benefits they are accruing.	100% within 5 Working Days	Monthly	5	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 50 <90% = 100
8a and b	Employer Debt/Arrears	Following the identification by the Teachers' Pension Scheme that arrears of pension contributions exist, obtain agreement from the Employer on: • the level of the arrears • the arrears they are responsible for • the interest that has accrued on the arrears to an agreed relevant date • an agreed or completed payment plan or • Where the Employer is	a) 50% within 30 calendar days of the Teachers' Pension Scheme identifying the arrears	Monthly	0	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25 <90% = 50
			b) 100% within 60 calendar days of the Teachers' Pension Scheme identifying the arrears	Monthly	0	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25 <90% = 50

		unwilling or unable as a result of insolvency to pay the arrears the case will be handed off to the Authority				
9a and b	Member Debt/Arrears	Where a Member debt has been identified, recover that debt or where financial hardship is proven, agree a debt recovery plan with the Member (in accordance with an approach to be agreed). Where the debtor cannot be traced, refuses to repay the debt, is insolvent or in the case of a deceased Member, has left no estate, the case will be referred to the Authority	a)100% within 90 calendar days of the Teachers' Pension Scheme identifying the debt	Monthly	5	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25 <90% = 50
		Where a debt recovery plan is in place, actively monitor and manage the receipt of debt payments	b) 100% within 30 calendar days of each payment due date	Monthly	0	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25 <90% = 50

10	Contribution Reconciliation	Reconcile all monthly contributions and correctly notify the Employer of any issues that have been identified	100% within 5 Working Days	Monthly	2	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 50 <90% = 100
11	Benefit Statements	Provide complete and accurate annual benefit statements to all active Members	100% by 31st March each year	Annual	0	<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 50 <90% = 100
12a	Customer contact (ill-health/ bereavement calls)	On receipt of an ill-health/bereavement related call, answer the call and respond effectively.	85% within 30 seconds	Weekly		<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25
12b	Customer contact (general calls)	Answer the calls received into the contact centre.	Answer and respond effectively to a minimum of 95% of calls	Weekly		<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25 <90% = 50
12c	Customer contact (email)	Respond to the emails received into the contact centre.	Answer emails within three days of receipt.	Weekly		<100% = 1 <99% = 5 <98% = 10 <97% = 15 <96% = 20 <95% = 25
13a	Pension on Divorce - Cash Equivalent Transfer Value (PoDCETV)	Accurately calculate and provide the CETV for Pension on Divorce requests.	100% within regulatory requirements (currently 3 months/ 6 weeks if court proceedings have commenced)	Monthly		<100% = 1 <99% = 5 <95% = 10
13b	Pension on Divorce – Implementation of	On receipt of all required information, accurately	100% within regulatory requirements (currently within 4	Monthly		<100% = 1 <99% = 5 <95% = 10

	Pension Sharing arrangements/earmarking order	calculate and implement pension sharing arrangements earmarking order	months of receipt of information /documentation, including payment of administration fee)			

1.17 Table 4 below documents the Service Level measurement approach to be used by the Supplier for each of the Service Levels.

Table 4

Service Level Measurement

Service Level No 1	**Retirement Benefit Payment**
Description	Accurately calculate and pay retirement benefits, including any appropriate lump sum payment in accordance with statutory entitlements. This includes retirements on the grounds of ill health.
Tasks to be Measured	▪ Validation and processing of the retirement application form including ill health applications ▪ Issue of appropriate retirement benefits
Source of Measurement Data	• Supplier systems • quality assurance reporting
Measurement Criteria*	The timeliness measurement will commence from the day of receipt by the Teachers' Pension Scheme of the application to take retirement benefits. The process will be deemed complete on the day that payment is released into the payment cycle to the Member. Accuracy of the payment will be assured, before the proceeds are released, through 100% quality checking and validated further through quality sampling.
Normal Hand Off Events	The normal hand off events where the Supplier will need to request information, decisions or actions are: ▪ The collection of any information required from the Member to support and/or complete the retirement application ▪ The collection of any information required from the Employer to support and/or complete the retirement application ▪ The collection of any information required from any third party to support and/or complete the retirement application

	▪ The provision of guidance from the Authority in circumstances where the Supplier is required to seek this in order to complete the payment of retirement benefits
Justification	The retirement application process is the most important event in the Member's pension lifecycle. The Teachers' Pension Scheme pension is an important element of a Members reward package and, as such Teachers' Pension Scheme Members should be able to plan their retirement with confidence that their application will be processed accurately, and within stated timescales - regardless of the reason for their retirement. Failure to deliver in this area will potentially cause financial hardship for Members as well as reputational damage to the Teachers' Pension Scheme. It is important for the financial management of the Teachers' Pension Scheme to be able to understand the nature of retirements, i.e. timing, retirement types and the value of payments.

Service Level No 2	Pension Payments
Description	Create and operate a pension payroll schedule to ensure that 100% of pensions payroll due are paid each Working Day
Tasks to be Measured	• The operation and processing of the payroll scheduler • Individual and overall payroll tolerance checks
Source of Measurement Data	• Supplier Systems
Measurement Criteria	The measurement will be based on the total number of pension payment runs during the measurement period successfully completed compared with the total number of occasions when a pension payment run was scheduled for completion during the relevant period. The accuracy will be measured through the ongoing tolerance checks that are run against each payroll at both Member and payroll run level.
Normal Hand Off Events	Not Applicable
Justification	The timely and accurate payment of a pension is something a Pensioner depends upon. Failure to provide this service level may cause financial difficulties and stress for as well as reputational damage to the Teachers' Pension Scheme.

Service Level No 3	Change of Entitlement
Description	Where a change of entitlement occurs, all benefits are accurately recalculated and paid to reflect statutory entitlement, including as appropriate abatement or suspension of payment
Tasks to be Measured	• Updating Member Record • Output to Member
Source of Measurement Data	• Supplier Systems • Workflow • Quality Assurance Reporting
Measurement Criteria*	The measurement will commence from either: ▪ the day of receipt by the Supplier of a notification of a change of entitlement or ▪ the Supplier becoming aware, through any other means, of a change of entitlement The process will be deemed complete on the day that the change of details has been processed and confirmation of the change of entitlement issued to, or sent via electronic transfer to the relevant party. Accuracy of all manual updates will be assured, before confirmation is issued and the proceeds are released, through 100% quality checking and validated further through quality sampling.
Normal Hand Off Events	The normal hand off events where the Supplier will need to request information, decisions or actions are: ▪ the collection of any information required from the Member to support and/or complete the change of entitlement ▪ the collection of any information required from the Employer to support and/or complete the change of entitlement ▪ the collection of any information required from any third party to support and/or complete the change of entitlement
Justification	Maintaining the accuracy of Member/Pensioner benefit entitlements in the Teachers' Pension Scheme in our processes is a high priority to ensure that • the Member receives accurate information regarding their benefit entitlements (which may influence crucial life decisions such as when to retire)

	• correct payments are received by the Teachers' Pension Scheme Member • assurances are provided to the Authority of the consistency in the application of Teachers' Pension Scheme policies • protection of the Teachers' Pension Scheme funds/public monies are properly managed and protected • accurate statistical data is available to the Authority • the good reputation of the Teachers' Pension Scheme is maintained

Service Level No 4	Death Benefit Payments
Description	(a) The assessment of an application for any benefit under this Service Level to ensure all information is complete and suitable for the calculation of the benefit. (b) The accurate and timely payment of benefits under the Teachers' Pension Scheme following the death of a Member or Pensioner. (c) The finalisation and communication of death cases where there is no beneficiary entitlement from the scheme.
Tasks to be Measured	• Validation and processing of the bereavement application form • Issue of any appropriate payments
Source of Measurement Data	• Supplier Systems • Workflow • Quality Assurance Reporting
Measurement Criteria*	The initial activity to gather accurate data prior to the calculation of benefits will be measured from the day of receipt by the Teachers' Pension Scheme of the bereavement application form and will be deemed complete once sufficient data is gathered in order to progress to calculation stage. The calculation activity will be measured from the day of receipt by the Teachers' Pension Scheme of the completed bereavement application form and will be deemed complete on the day that the payment is released into the payment cycle by the Teachers' Pension Scheme to the claimant(s). Accuracy of the payment will be assured, before the proceeds are released, through 100% quality checking and validated further through the authorisation process.
Normal Hand Off Events	The normal hand off events (events where the initial information gathering stage will be halted and the case closed until further information is received), where the Supplier will need to request information, decisions or actions are: ▪ The collection of any information required from the Member, dependants or personal representatives to support and/or complete the payment of death benefits.

	▪ The collection of any information required from the Employer or any third party to support and/or complete the payment of death benefits. The normal hand off event where a 'third party' flag would be deployed until additional information was received in order to progress the case (during information gathering or calculation stages of the case) is: ▪ The provision of guidance from the Authority in circumstances where the Supplier is required to seek this in order to complete the payment of death benefits In addition to this the member/next of kin can request the case be 'paused' at a time of particular distress (a 'third party' flag would be deployed although proactive chasing would be implemented).
Justification	Payment of benefits under the Teachers' Pension Scheme is a key process and errors and delays may cause financial hardship to a Member's/Pensioner's family and dependants and, at a very emotional time, it may also cause reputational damage to the Teachers' Pension Scheme. Paying these benefits in a timely and accurate manner is crucial. It is important for the financial management of the Teachers' Pension Scheme to be able to understand the number of deaths types and the value of associated payments.

Service Level No 5	Transfers In
Description	**Service Level 5 a)** On receipt of all the information relevant to a transfer into the TPS, notify the Member of the service credit and issue instructions on how to proceed or notify the Member that they do not satisfy the eligibility criteria **Service Level 5 b)** On receipt of payment, accurately update the Member record and inform the Member
Tasks to be Measured	• Calculation of service credit and issue of documentation to the Member • Updating of Member's record • Issue of rejection letter where appropriate
Source of Measurement Data	• Supplier Systems • Workflow • Quality Assurance Reporting
Measurement Criteria*	**Service Level 5 a)** Measurement of timeliness will commence on the day of receipt by Teachers' Pension Scheme of a Transfer In application and be deemed complete once the Transfer Quotation, which incorporate the Member's service credit, has been issued to the Member or confirmation that the request is invalid is issued. **Service Level 5 b)** Measurement of timeliness will commence on the day of receipt by Teachers' Pension Scheme of a Transfer In payment. The activity will be deemed complete on the day that the Member's record has been updated to include the transferred service, and the notification of the update to the service record issued to the Member Accuracy of the payment will be assured, before the proceeds are released, through 100% quality checking and validated further through quality sampling.
Normal Hand Off Events	The normal hand off events where the Supplier will need to request information, decisions or actions are: ▪ The collection of any information required from the Member to support and/or complete the transfer in ▪ The collection of any information required from any third party to support and/or complete the transfer in
Justification	

	The decision by a Member to transfer service credits from other eligible pension schemes should be based on a clear and accurate quotation which is provided by in a timely manner. It is important for the financial management of the Teachers' Pension Scheme to be able to understand the nature of transfer into the TPS, i.e. timing, type of previous pension scheme and value of payments.

Service Level No 6	Transfers Out
Description	**Service Level 6 a)** On receipt of a Transfer out request, notify the receiving scheme of the estimated transfer value where the Member is eligible to transfer their TPS benefits to the new scheme. Where the Member is not eligible to transfer their TPS benefits notify the new scheme. **Service Level 6 b)** On receipt of acceptance of the estimate from the Receiving Scheme, pay the transfer value and notify them of the payment
Tasks to be Measured	• Collection of any missing data, e.g. service or GMP • Processing of estimate • Issue of the transfer value payment
Source of Measurement Data	• Supplier System • Workflow • Quality Assurance Reporting
Measurement Criteria*	**a)** The time taken to process this activity will commence from the day of receipt by Teachers' Pension Scheme of a request/application for a Transfer Out from the Receiving Scheme. The case will be deemed complete on the day that the transfer estimate has been issued to the Receiving Scheme. In the event that an application is received and the Receiving Scheme does not meet the required criteria for the transfer, the process will be deemed as complete on the day that a letter is issued informing the Receiving Scheme that the transfer cannot proceed. Accuracy of the transfer estimate will be assured, before the estimate is issued, through 100% quality checking and validated further through quality sampling. **b)** Timeliness for this measure will commence once the authorised acceptance of the estimate for the Transfer Out is received, and be deemed complete once the payment is released into the payment cycle and the transferred out service record for the Member is updated. In the event that a request is received outside the guarantee period of the estimate, the process will be deemed complete on the day that a letter, outlining the reasons why the transfer cannot be progressed, is issued to the Receiving Scheme by, including but not exclusive to, post or an electronic communication Accuracy of the payment will be assured, before the proceeds are released, through every payment being quality checked and validated further through quality sampling.

Normal Hand Off Events	The normal hand off events where the Supplier will need to request information, decisions or actions are: ▪ The collection of any information required and/or confirmation required from the Member to support and/or complete the payment of the transfer out ▪ The collection of any information required from the Employer to support and/or complete the payment of the transfer out ▪ The collection of any information required from any third party to support and/or complete the payment of the transfer out ▪ The provision of guidance from the Authority in circumstances where the Supplier is required to seek this in order to complete the transfer out
Justification	The decision for a Member to transfer their pension to another scheme is an important one, and can have a major impact upon the pension they receive. It is very important that Teacher's Pension Scheme deal with requests in a timely and accurate manner as the Member's future benefit being adversely affected by any delay to the transfer cause by the TPS. It is important for the financial management of the Teacher's Pension Scheme to be able to understand the nature of transfer out of the TPS, i.e. timing, destination and value of payments.

Service Level No 7	Scheme Elections
Description	The accurate and timely updating of records following an election made by the Member which will impact their membership of the Teachers' Pension Scheme, the benefits they are accruing or their beneficiary in the event of their death
Tasks to be Measured	• Updating of Member record • Output to Member and any other relevant body
Source of Measurement Data	• supplier systems workflow • quality assurance reporting
Measurement Criteria*	Measurement will commence for each election upon the day of receipt by Teachers' Pension Scheme of an election application or nomination form. The election will be deemed as being complete on the day that that the Member's record is updated and confirmation of the update issued to the Member and any other relevant party. Accuracy of manual updates will be assured, before confirmation of the election is issued, through 100% quality checking and validated further through quality sampling.
Normal Hand Off Events	The normal hand off events where the Supplier will need to request information, decisions or actions are: • The collection of any information required from the Member to support and/or complete the scheme election • The collection of any information required from the Employer to support and/or complete the scheme election
Justification	The inclusion of elections within the Service Levels will ensure key decisions, made by the Member regarding their pension will be measured at various stages of the pension's lifecycle. Accurate statistical data is available to the Authority to enable policy decisions to be made about the future direction of the Teacher's Pension Scheme.

Service Level No 8	Employer Debt/Arrears
Description	Following the identification by Teacher's Pension Scheme that arrears of pension contributions exist, obtain agreement from the Employer on: • the level of the arrears • the arrears they are responsible for • the interest that has accrued on the arrears to an agreed relevant date • an agreed or completed payment plan or • Where the Employer is unwilling or unable as a result of insolvency to pay the arrears the case will be referred to the Authority with a suitable summary of the case and a recommendation on how we believe the Authority should proceed.
Tasks to be Measured	• The issue of the notification to the Employer of the arrears of contributions and interest • The agreement to a recovery plan proposed by the Employer or the referral to the Authority
Source of Measurement Data	• Supplier Systems • Financial statement
Measurement Criteria	**Service Level 8 a) & b)** Measurement will commence on the day which the arrears of the contributions have been identified by Teachers' Pension Scheme, and be deemed complete when agreement is reached with the Employer: about: • the level of the arrears; • the arrears they are responsible for; • the interest that has accrued on the arrears to an agreed relevant date; and • an agreed or completed payment plan or • the case is handed off to the Authority.
Normal Hand Off Events	The normal hand off events where the Supplier will need to request information, decisions or actions are:

	• The collection of any information required from the Employer to support and/or complete the assessment and validation of the arrears • The provision of guidance from the Authority in circumstances where the Supplier is required to seek this in order to complete the assessment, validation and collection of arrears
Justification	The collection of Employer contributions is vital to the on-going management of the Teachers' Pension Scheme. Identifying and then collecting arrears of contributions is a key financial control and will help reduce Teachers' Pension Scheme debt.

Service Level No 9	Member Debt/Arrears
Description	**Service Level 9 a)** Where a Member debt has been identified, recover that debt or where financial hardship is proven, agree a debt recovery plan with the Member in accordance with the Discretions Document. Where the debtor cannot be traced, refuses to repay the debt, is insolvent or in the case of a deceased Member, has left no estate, the case will be referred to the Authority with a suitable summary of the case and a recommendation on how we believe the Authority should proceed. **Service Level 9 b)** Where a debt recovery plan is in place, actively monitor and manage the receipt of debt payments
Tasks to be Measured	a) The measurement will start from the identification of the debt until a recovery plan is in place or the case has been referred to the Authority. b) The bank statement is checked to confirm that the appropriate instalment has been received as a cleared payment on the appropriate date and where it is not received the debtor is contacted. Where payment is made by deduction from pension the Supplier System is checked to confirm that the pension is still in payment and, where this is not the case, appropriate action is taken.
Source of Measurement Data	• Supplier Systems • Accounting system • Financial statement
Measurement Criteria	**Service Level 9 a)** Measurement will commence on the day that the debt has been identified by the Supplier and will be completed when a suitable repayment plan is agreed or when the case has been referred to the Authority. **Service Level 9 b)** Measurement will commence on the day after the recovery plan payment is due and will be deemed as completed on the day that the funds are noted as being cleared or communication is issued to the Member, either by telephone, post or electronic methods, to request a missed instalment.
Normal Hand Off Events	The normal hand off events where the Supplier will need to request information, decisions or actions are:

	• The provision of guidance from the Authority in circumstances where the Supplier is required to seek this in order to complete the validation and/or payment of arrears
Justification	The collection of Employer contributions is vital to the on-going management of the Teachers' Pension Scheme. Identifying and then collecting arrears of contributions and overpayments are key financial controls and will help reduce Teachers' Pension Scheme debt.

Service Level No 10	Contribution Reconciliation
Description	Reconcile all monthly contributions and correctly notify the Employer of any issues that have been identified
Tasks to be Measured	• Reconciling that the contributions received match the remittance slip. Where these do not match the Employer is contacted for an explanation. • Validation that the contributions satisfactorily compare to those received in the previous 3 months and are in accordance with a tolerance range to be agreed with the Authority. Where the contributions are not within the agreed tolerance range the Employer is contacted for an explanation of the discrepancy. • Where data returns are received on a monthly basis the contributions received are compared to the total salary bill on the data return. Where this is within a tolerance range previously agreed with the Authority no further action is taken. Where the results of the comparison are outside of the agreed tolerance range the Supplier will contact the Employer to request an explanation.
Source of Measurement Data	• Accounting system • Financial statement
Measurement Criteria	Measurement will commence on the earlier of either: a) the day of receipt of the Employer's monthly contributions; or b) the 16th of the month (where the 16th of the month falls on a non-working day the measurement will commence on the previous working day) The activity will be deemed as completed on the day that the payment has been reconciled to the average of the last three months Employer contributions, and for any case where an unexplained variance is identified, the Employer is contacted either by telephone, post or electronic methods.
Normal Hand Off Events	The normal hand off events where the Supplier will need to request information, decisions or actions are: • The provision of guidance from the Authority in circumstances where the Supplier is required to seek this in order to complete the reconciliation of contributions
Justification	

	This measure has been included in recognition of the importance for records and payments held to be as accurate as possible, and to prevent the volume and monetary value of any arrears in contributions increasing unnecessarily. Ensuring that where discrepancies in contribution details occur, they are identified and rectified in a timely manner, providing assurances to the Authority and the National Audit Office.

Service Level No 11	Benefit Statement
Description	Provide complete and accurate annual benefit statements to all active Members
Tasks to be Measured	• Loading into Supplier Systems service and salary data • Loading into Supplier Systems state retirement data from DWP • Creation of print files where applicable • Issue of document, either physically or electronically
Source of Measurement Data	• Supplier Systems • Quality Assurance Reporting
Measurement Criteria	The measure will assess the percentage of active Members who are issued an Annual Benefit Statement, either physically or electronically, as part of the annual statement exercise or on an ad hoc basis for the calendar year ending 31st March, taking into account any changes in details that are received by the Supplier up to three weeks prior to the issuing of the statement.
Normal Hand Off Events	Not Applicable
Justification	The provision of the Annual Benefit Statement is a key process for the administration of the Teacher's Pension Scheme. Not only does it provide the Member with vital information to assist them in planning their retirement, but also provides the vehicle for any service inaccuracies to be highlighted with the Employer

Service Level No 12	Customer Contact
Description	(a) Answer 85% of bereavement/ill-health calls within 30 seconds. (b) Answer a minimum of 95% of calls when up to 7,350 calls are offered and connected with a minimum of 7,000 calls per week if >7,350 calls are offered and connected. (c) Answer emails within three days of receipt.
Tasks to be Measured	• Duration of call queue in relation to bereavement/ill-health calls. • Number of calls offered and connected. • Number of calls answered. • Date of receipt and response to email correspondence.
Source of Measurement Data	• Supplier Systems
Measurement Criteria	Measurement for calls commences after the caller selects the priority option and ends when the caller speaks to an operator. The volume of calls will be measured weekly using the number of calls connected to an operator. Measurement for emails commences when the email is received into the respective email inbox and ends when the response email is sent.
Normal Hand Off Events	Not Applicable
Justification	Member engagement is a key outcome measure of this Agreement. The Authority are continually striving to deliver the best possible service to Members of the Scheme which includes engagement with the Member. As part of this, there is a focus on an empathetic approach to ill-health and bereavement cases.

Service Level No 13	Pension on divorce
Description	(a) Accurately calculate and provide the CETV for pension on divorce requests. (b) On receipt of all required information, accurately calculate and implement pension sharing arrangements/earmarking order.
Tasks to be Measured	• Validation and processing of the pension sharing arrangements. • Issue of any appropriate documentation.
Source of Measurement Data	• Supplier Systems • Workflow
Measurement Criteria*	The initial activity to gather accurate data prior to the calculation of the CETV will be measured from the day of receipt of all required information by the Teachers' Pension Scheme and will be deemed complete once the CETV has been issued to the member. The implementation in the system will be measured from the day of receipt by the Teachers' Pension Scheme of all completed information, including any necessary payment for administration of the sharing arrangement/earmarking order and will be deemed complete on the day that the necessary communications have been made to the member and the ex-spouse. Accuracy of the payment will be assured, before the information is sent and the system implementation is completed, through 100% quality checking and validated further through the authorisation process.
Normal Hand Off Events	The normal hand off events (events where the initial information gathering stage will be halted and the case closed until further information is received), where the Supplier will need to request information, decisions or actions are: • The collection of any information required from the Member, ex-spouse or appointed representative to complete the CETV calculation.
Justification	Members and pension credit members with an entitlement in the scheme will require evidence of their new/ongoing entitlement and this must be provided in a timely and accurate manner. Failure to provide the information within the legislative timescales will have significant impact on the reputation of the Teachers' Pension Scheme.

1.18 Table 5 below documents the Severity Levels applicable to each Service Level Failure.

1.19 In the event that a Service Level Failure arises, the Supplier will notify the Authority within the timescales shown in Table 5 below in the column headed "Notification Period". This is without prejudice to the Supplier's obligations under Clause 28 (Rectification Plan Process).

1.20 In addition to notifying the Authority of each event of Service Level Failure, the Supplier shall, as part of the same notification procedure, notify the Authority of each Service Notification Event, as detailed in Table 5 below. This is without prejudice to the Supplier's obligations under Clause 28 (*Rectification Plan Process*).

1.21 In the event that the Authority disagrees with the Supplier's categorisation of any Service Level Failure it shall promptly raise the matter with the Supplier and the Parties shall act expeditiously to resolve the difference of opinion and agree a mutually agreeable categorisation. In the event that the Parties cannot reach agreement the matter shall be referred to the Dispute Resolution Procedure. At the point that the matter is referred to the Dispute Resolution Procedure until such time as the matter is finally resolved, the Supplier shall treat the Service Failure as having the categorisation determined by the Authority.

*****Following the Operational Services Commencement Date, the Authority shall on the Supplier's request and in good faith review the requirement for 100% quality checking. Subject to the Authority's reasonable satisfaction that the Supplier's business processes are capable and reliable, the Authority may, at its sole discretion, agree to remove or reduce this requirement for 100% quality checking. Any such change shall be processed through the Change Control Procedure.

Table 5

Service Level Failure and Service Notification Event Severity Levels

Severity Level	Severity Categorisation	Description of Service Level Failure and Service Notification Event	Notification Period
1	Critical	A Service Level Failure that will cause the Supplier to incur maximum Service Points on any Service Level. A Service Notification Event that: (a) has or will cause the Supplier to stop work on a number of Services; or (b) will or is likely to cause the Supplier to materially fail to meet more than one Service Level in the relevant Service Period; or (c) may or will cause embarrassment or reputational issues for the Authority.	Authority to be notified within 2 hours of the Supplier becoming aware of the Service Failure or Service Notification Event. The notification shall be by telephone and shall, promptly thereafter be confirmed in writing (which shall include e-mail confirmation).

2	Important	A Service Notification Event that is likely to have a material detrimental effect on the Supplier's ability to meet one or more Service Levels.	Authority to be notified within 24 hours of the Supplier becoming aware of the Service Notification Event. The notification shall be by telephone and shall, promptly thereafter be confirmed in writing (which shall include e-mail confirmation).
3	Minor	All Service Level Failures that have not been notified under Severity Level 1 above. All KPI Failures. All failures to meet the requirements specified under Schedule 2.1 (*Services Description*). All Service Notification Events that are not classified as Severity 1 or 2.	Authority to be notified as part of the regular monthly reporting.

PART 2 – KPIS

Table 1

Key Performance Indicators

No.	Name	Freq.	KPI	KPI Target
1a)	Complaints	Monthly	Where all information has been received - all complaints to be fully completed	100% within 15 Working Days
1b)	IDRP	Monthly	Where all information has been received - 2nd Stage IDRP review case and provide case summary/draft letter to Authority	100% within 15 Working Days
2	Correspondence	Monthly	Respond to all web and paper based correspondence, and telephony enquires requiring written response	98% within 10 Working Days
3	Not in Use			
4.1	Quality Sampling – Back Office	Monthly	Sample back office activity to assess processing and quality	98% of all sampled cases provide quality assurance
4.2	Quality sampling – Call Centre	Monthly	Sample call centre activity to assess handling quality	97% of all sampled cases provide quality assurance
5	Re-employment	Monthly	Where all information has been received, calculate effect of re-employment on pension and inform pensioner	100% within 6 Working days
6	Service Availability	Monthly	See paragraph 2 of Part D	99.9% Service Availability in each Service Period
7	Supplier Systems' Response Times	Monthly	See paragraph 3 of Part D	2 seconds average System Response Time measured over the course of a Service Period
8	Fix Times	Monthly	See paragraph 5 of Part D	No single Service Incident takes longer than 240 minutes to Resolve from the time that it is

				reported to the Supplier, to the point of its Resolution
9	Virtual Library Completeness	Monthly	See paragraph 6 of Part D	99.9% of all information required under Schedule 8.4 (Reports and Records Provisions), Annex 3 (Virtual Library) present and accurate

Table 1

1.1 Table 2 below shows how each of the KPIs will be measured.

1.2 For the purposes of measuring individual KPIs, only Working Days will be included in the calculation of elapsed time and hence weekends and public holidays in England and Wales will be removed from any calculation of KPI elapsed time.

Table 2

KPI – Measurement

KPI No 1a	**Complaints**
Activity Description	Action Complaint
Measurement Criteria	Measurement commences from the receipt of the complaint until updated
KPI No 1b	IDRP
Activity Description	Review case and provide case summary / Draft letter to Authority
Measurement Criteria	Measurement commences the day after the dispute is logged and ends when the case has been passed to the Authority
KPI No 2	Correspondence
Activity Description	Issue responses to correspondence both web and paper based, and those telephony cases that require written response
Measurement Criteria	Measurement commences on receipt of the query and end with the issue of a response
KPI No 3	Not in Use
KPI No 4.1	Quality sampling - back office
Activity Description	Measure all sampled case types processed in the month where an error in calculation would result in a monetary impact on a member

Measurement Criteria	Number of cases that have failed quality sampling resulting in a financial impact to the member, compared to the total number of cases sampled in month
KPI No 4.2	Quality sampling – Call Centre
Activity Description	Sample Calle Centre activity to assess call handling quality
Measurement Criteria	Measurement is based upon the score achieved by call centre staff against the TP call monitoring Standard
KPI No 5	Re-Employment
Activity Description	Calculating effect of re-employment on pension and inform pensioner
Measurement Criteria	The measurement will commence when all the information required to reassess the pension has been received and will end following the issue of the reassessment letter to the retired member together with details of any overpayment. The time taken in obtaining any additional information will be excluded from the measurement period, e.g, further information about salary or service from an employer provided that the supplier has taken all reasonable endeavours to ensure the required information is obtained in a timely manner. The time taken in obtaining the tax position will be excluded from the measurement period.
KPI No 6	Service Availability
Activity Description	Service Availability in a Service Period expressed as a percentage of total time.
Measurement Criteria	See paragraph 2 of Part D
KPI No 7	Supplier Systems' Response Times
Activity Description	The round trip time taken to process a message or request of the Supplier System and/or the Services
Measurement Criteria	See paragraph 3 of Part D
KPI No 8	Fix Times
Activity Description	Time taken to resolve a Service Incident from the time that it is reported to the Supplier, to the point of its Resolution
Measurement Criteria	See paragraph 5 of Part D
KPI No 9	Virtual Library Completeness
Activity Description	All information required under Schedule 8.4 (Reports and Records Provisions) Annex 3 (Virtual Library) to be uploaded to the Virtual Library in accordance with Paragraph 4 of that Schedule.
Measurement Criteria	See paragraph 6 of Part D

OUTCOMES

1.1 Table 1 below lists the Outcomes.

Table 1

Outcomes

Ref	Outcome	Target Performance Level	Outcome Weightings
Members			
1	Not used	N/A	N/A
2	Members understand the value of their Pension	92% each month	8.25%
3	Members are actively planning for their retirement	87% each month	8.25%
4	Not used	N/A	N/A
5	Members regularly receive information about their pension and are satisfied with the quality	80% each month	8%
6	Members who contact Teachers' Pension Scheme about their pension are satisfied with the timeliness and quality of the response	80% each month	8%
7	Recently retired members are satisfied with the support they received from Teachers' Pension Scheme as they planned for their retirement	80% each month	3.75%
		SUBTOTAL	**26.25%**
Employers			
8	Not Used	N/A	N/A
9	Employers are satisfied with the service and the information that they receive from Teachers' Pension Scheme	85% each month	9.375%
10	When employers contact Teachers' Pension Scheme they receive a timely and accurate response to enquiries	85% each month	9.375%
11	Employers engage with Teachers' Pension Scheme	Drafting note: target to be	7.5%

				agreed with the Authority prior to the Operational Services Commencement Date pursuant to the Change Control Procedure	
				SUBTOTAL	26.25%
Miscellaneous					
12	The quality of new and legacy data is assured	Common Data	a) Legacy Data	97.79	4.5%
			b) New Data	98.85	
		Conditional Data	c) 12 months before NRA: Member records % assured	98.2	
			d) Member record - % assured	97.5	
13	The Spring Supplementary income/expenditure exercise is completed on time and the accuracy of the exercise is within the agreed target ranges	a) Income		-0.5 to 0.5	3%
		b) Expenditure		1 to -1	
14	The Percentage of Active, Deferred and Pensioner member with an online pension account			Drafting Note: percentage to be agreed with the Supplier	12.375%

		prior to the Operational Services Commencement Date pursuant to the Change Control Procedure	
15	The percentage of all transactions that can be made through a digital channel, are made through a digital channel.	80%	12.375%
16	Demonstration of Partnership Working	100%	5.25%
		TOTAL	100%

1.2 Table 5 below shows the list of pre-determined questions for each of the Outcomes 2 and 3, 5 to 7 and 9 to 11 that should be used by the Supplier as part of the Supplier's approach to measuring the achievement of the Outcomes.

Table 5

Outcome Questions

Ref	Outcome (showing pre-determined questions for each Outcome)
1	Not used
2	Members understand the value of their pension. Sub-questions comprising the measure: • If you wanted to check the current value of your pension, which of the following would be the best place to go for this information? • And if you wanted to forecast or model the amount of pension you're likely to receive on retirement, which of the following would be the best place for you to go for this information? • How well do you understand the options open to you to maximise the value of your Teachers' Pension? • How would you describe your awareness of the options available to you through the Teachers' Pension Scheme, such as phased retirement, paying for additional pension, AVCs?
3	Members are actively planning for their retirement. Sub-questions comprising the measure:

	• Which of the following actions, if any, have you done or considered doing with your Teachers' Pension over the past 12 months with a view to planning for your retirement? • Thinking about your Teachers' Pension, which of the following actions, if any, have you done or considered doing over the past 12 months with a view to planning for your retirement?
4	Not Used
5	Members regularly receive information about their pension and are satisfied with the quality. Sub-questions comprising the measure: • Have you been contacted by TP over the last 12 months? • What have you been contacted about in the past 12 months? • And how satisfied or otherwise were you with the communication you received by each method?
6	Members who contact Teachers' Pension Scheme about their pension are satisfied with the timeliness and quality of the response. Sub-questions comprising the measure: • Have you contacted TP over the last 12 months? • What have you contacted TP about in the past 12 months? • Would you consider the response timely and suitable? • Generally, how satisfied or otherwise were you with the response you received by each method?
7	Recently retired members are satisfied with the support they received from Teachers' Pension Scheme as they planned for their retirement. Sub-questions comprising the measure: • Were you contacted by, or did you receive any information from, Teachers' Pension Scheme in the 12 months before you retired? • Which of the following things, if any, did Teachers' Pension Scheme contact you with in the 12 months before you retired? • How satisfied or dissatisfied were you with the relevance and usefulness of the information that you received? • To what extent do you agree or disagree with the following statement? I understood enough about the Teachers' Pension Scheme to make an informed decision about how and when to retire • And to what extent do you agree or disagree with the following statement? When I applied for my retirement benefits I understood the level of pension benefit I would receive • Did you contact Teachers' Pension Scheme in the 12 months before you retired? • What did you contact the Teachers' Pension Scheme about in the 12 months prior to retirement? • Thinking about when you contacted Teachers' Pension Scheme, how satisfied or dissatisfied were you with the content of the response?

	• And again thinking about when you contacted Teachers' Pension Scheme, how satisfied or dissatisfied were you with the timeliness of the response?
8	Not used
9	Employers are satisfied with the service and the information that they receive from Teachers' Pension Scheme Sub-questions comprising the measure: • Over the past 12 months, have you received any information from the following services provided by Teachers' Pension Scheme? • Overall, how satisfied or dissatisfied are you with the information you have received from these services provided by Teachers' Pension Scheme over the past 12 months? • How satisfied or dissatisfied are you with the overall service you have received from Teachers' Pension Scheme over the last twelve months? • In your opinion, how easy or difficult has it been to do business with Teachers' Pension Scheme over the last 12 months?
10	When employers contact Teachers' Pension Scheme they receive a timely and accurate response to enquiries Sub-questions comprising the measure: • On balance, Teachers' Pension Scheme has given accurate responses to my enquiries • Given the nature of my enquiries to Teachers' Pension Scheme, I received a timely response • I am able to access the Teachers' Pension Scheme service when I need it through my preferred channel (phone, web, etc.).
11	Employers engage with Teachers' Pension Scheme Sub-questions comprising the measure: • Over the last 12 months, how frequently, if at all, have you used Teachers' Pension Scheme online services? • Which, if any, of the following Teachers' Pension Scheme events and services are you aware of? • Teachers' Pension Scheme <event> are relevant for my needs • Teachers' Pension Scheme <event> are easily accessible for me • And have you participated in a Teachers' Pension Scheme <event> in the last 12 months? • In your opinion, how good or poor was the Teachers' Pension Scheme <event>? • Why have you not participated in a Teachers' Pension Scheme <event> in the past 12 months?
12	N/A
13	N/A

14	N/A
15	N/A
16	N/A

SCHEDULE 2.3

SERVICE REQUIREMENTS – STANDARDS

1 DEFINITIONS

1.1 In this Schedule, the following definitions shall apply:

"Standards Hub"	the Government's open and transparent standards adoption process as documented at http://standards.data.gov.uk/; and
"Suggested Challenge"	a submission to suggest the adoption of new or emergent standards in the format specified on Standards Hub.

2 GENERAL

2.1 Throughout the term of this Agreement, the Parties shall monitor and notify each other of any new or emergent standards which could affect the Supplier's provision, or the Authority's receipt, of the Services. Any changes to the Standards, including the adoption of any such new or emergent standard, shall be agreed in accordance with the Change Control Procedure.

2.2 Where a new or emergent standard is to be developed or introduced by the Authority, the Supplier shall be responsible for ensuring that the potential impact on the Supplier's provision, or the Authority's receipt, of the Services is explained to the Authority (in a reasonable timeframe), prior to the implementation of the new or emergent standard.

2.3 Where Standards referenced conflict with each other or with Good Industry Practice, then the later Standard or best practice shall be adopted by the Supplier. Any such alteration to any Standard(s) shall require the prior written agreement of the Authority and shall be implemented within an agreed timescale.

3 TECHNOLOGY AND DIGITAL SERVICES PRACTICE

3.1 The Supplier shall (when designing, implementing and delivering the Services) adopt the applicable elements of HM Government's Technology Code of Practice as documented at https://www.gov.uk/service-manual/technology/code-of-practice.html.

4 OPEN DATA STANDARDS & STANDARDS HUB

4.1 The Supplier shall comply to the extent within its control with UK Government's Open Standards Principles as documented at https://www.gov.uk/government/publications/open-standards-principles/open-standards-principles, as they relate to the specification of standards for software interoperability, data and document formats in the IT Environment.

4.2 Without prejudice to the generality of Paragraph 2.2, the Supplier shall, when implementing or updating a technical component or part of the Software or

Supplier Solution where there is a requirement under this Agreement or opportunity to use a new or emergent standard, submit a Suggested Challenge compliant with the UK Government's Open Standards Principles (using the process detailed on Standards Hub and documented at http://standards.data.gov.uk/). Each Suggested Challenge submitted by the Supplier shall detail, subject to the security and confidentiality provisions in this Agreement, an illustration of such requirement or opportunity within the Supplier System, Supplier Solution and Government's IT infrastructure and the suggested open standard.

4.3 The Supplier shall ensure that all documentation published on behalf of the Authority pursuant to this Agreement is provided in a non-proprietary format (such as PDF or Open Document Format (ISO 26300 or equivalent)) as well as any native file format documentation in accordance with the obligation under Paragraph 4.1 to comply with the UK Government's Open Standards Principles, unless the Authority otherwise agrees in writing.

5 TECHNOLOGY ARCHITECTURE STANDARDS

5.1 The Supplier shall produce full and detailed technical architecture documentation for the Supplier Solution in accordance with Good Industry Practice. If documentation exists that complies with the Open Group Architecture Framework 9.2 or its equivalent, then this shall be deemed acceptable.

6 ACCESSIBLE DIGITAL STANDARDS

6.1 The Supplier shall comply with (or with equivalents to):

(a) the World Wide Web Consortium (W3C) Web Accessibility Initiative (WAI) Web Content Accessibility Guidelines (WCAG) 2.1 Conformance Level AA; and

(b) ISO/IEC 13066-1: 2011 Information Technology – Interoperability with assistive technology (AT) – Part 1: Requirements and recommendations for interoperability.

7 SERVICE MANAGEMENT SOFTWARE & STANDARDS

7.1 Subject to Paragraphs 2 to 4 (inclusive), the Supplier shall reference relevant industry and HM Government standards and best practice guidelines in the management of the Services, including the following and/or their equivalents:

(a) ITIL v4;

(b) ISO/IEC 20000-1 2018 "Information technology — Service management – Part 1";

(c) ISO/IEC 20000-2 2019 "Information technology — Service management – Part 2";

(d) ISO 10007: 2017 "Quality management systems – Guidelines for configuration management"; and

(e) ISO 22313:2020 “Security and resilience. Business continuity management systems. Guidance on the use of ISO 22301” and, ISO/IEC 27031:2011 and ISO 22301:2019.

7.2 For the purposes of management of the Services and delivery performance the Supplier shall make use of Software that complies with Good Industry Practice including availability, change, incident, knowledge, problem, release & deployment, request fulfilment, service asset and configuration, service catalogue, service level and service portfolio management. If such Software has been assessed under the ITIL Software Scheme as being compliant to “Bronze Level”, then this shall be deemed acceptable.

8 ENVIRONMENTAL REQUIREMENTS

8.1 The Supplier shall comply with the environmental requirements set out in the Annex to this Schedule.

9 HARDWARE SAFETY STANDARDS

9.1 The Supplier shall comply with those BS or other standards relevant to the provision of the Services, including the following or their equivalents:

(a) any new hardware required for the delivery of the Services (including printers), shall conform to BS EN IEC 62368-1:2020+A11:2020 or subsequent replacements. In considering where to site any such hardware, the Supplier shall consider the future working user environment and shall position the hardware sympathetically, wherever possible;

(b) any new audio, video and similar electronic apparatus required for the delivery of the Services, shall conform to the following standard: BS EN IEC 62368-1:2020+A11:2020 or any subsequent replacements;

(c) any new laser printers or scanners using lasers, required for the delivery of the Services, shall conform to either of the following safety Standards: BS EN 60825-1:2014 or any subsequent replacements; and

(d) any new apparatus for connection to any telecommunication network, and required for the delivery of the Services, shall conform to the following safety Standard: BS EN 62949:2017 or any subsequent replacements.

9.2 Where required to do so as part of the Services, the Supplier shall perform electrical safety checks in relation to all equipment supplied under this Agreement in accordance with the relevant health and safety regulations.

10 PENSIONS STANDARDS

10.1 The Supplier shall comply with:

(a) The Pensions Administration Standards Association (PASA) standards for pensions administration in the UK; and

(b) The Pensions Regulator Codes of Practice.

11 DATA SECURITY STANDARDS

11.1 The Supplier shall comply with the Government Security Policy (or with its replacement).

12 DECOMISSIONING AND EXIT STANDARDS

12.1 The Supplier shall comply with (or with their equivalents or replacements):

(a) NCSC HMG Infosec Standard 5 HMG standard IA5;

(b) Secure sanitisation of storage media - NCSC.GOV.UK Reviewed September 2020;

(c) Acquiring, managing, and disposing of network devices - NCSC.GOV.UK Reviewed September 2016;

(d) Office 365 Data Destruction - Microsoft Docs February 2020;

(e) NIST Special Publication 800-88 Rev 1: Guidelines for Media Sanitization February 2015;

(f) Cloud security guidance November 2018;

(g) End user device (EUD) security guidance November 2018;

(h) Information Commissioner's Office Deleting your data from computers, laptops, and other devices; and

(i) BS ISO/IEC 27002:2013.

ANNEX 1: ENVIRONMENTAL REQUIREMENTS

1 DEFINITIONS

1.1 In this Annex, the following definitions shall apply:

"Permitted Item"	means those items which are permissible under this Agreement to the extent set out in Table B of this Annex
"Prohibited Items"	means those items which are not permissible under this Agreement as set out at Table A of this Annex
"Sustainability Reports"	written reports to be completed by the Supplier containing the information outlined in Table C of this Annex
"Waste Hierarchy"	means prioritisation of waste management in the following order of preference: a) Prevention – by using less material in design and manufacture. Keeping products for longer; b) Preparing for re-use – by checking, cleaning, repairing, refurbishing, whole items or spare parts; c) Recycling – by turning waste into a new substance or produce, including composting if it meets quality protocols; d) Other Recovery – through anaerobic digestion, incineration with energy recovery, gasification and pyrolysis which produce energy (fuels, heat and power) and materials from waste; some backfilling; and e) Disposal - Landfill and incineration without energy recovery.

2 ENVIRONMENTAL REQUIREMENTS

2.1 The Supplier shall comply in all material respects with all applicable environmental laws and regulations in force in relation to the Agreement.

2.2 The Supplier warrants that it has obtained ISO 14001 certification from an accredited body and shall comply with and maintain certification requirements throughout the Term.

2.3 In performing its obligations under the Agreement the Supplier shall to the reasonable satisfaction of the Authority:

(a) demonstrate low carbon resource efficiency, including minimising the use of resources and responding promptly to the Authority's reasonable questions;

(b) prioritise waste management in accordance with the Waste Hierarchy;

(c) be responsible for ensuring that any waste generated by the Supplier and sent for recycling, disposal or other recovery as a consequence of this Agreement is taken to an authorised site for treatment or disposal and that the disposal or treatment of waste complies with the law;

(d) ensure that it and any third parties used to undertake recycling disposal or other recovery as a consequence of this Agreement do so in a legally compliant way, undertake reasonable checks on a regular basis to ensure this;

(e) inform the Environmental Agency within one Working Day in the event that a permit or exemption to carry or send waste generated under this Agreement is revoked and in circumstances where a permit or exemption to carry or send waste generated under this Agreement is revoked the Supplier shall cease to carry or send waste or allow waste to be carried by any Sub-contractor until authorisation is obtained from the Environmental Agency;

(f) minimise the release of greenhouse gases (including carbon dioxide emissions), air pollutants, volatile organic compounds and other substances damaging to health and the environment; and

(g) reduce and minimise carbon emissions by taking into account factors including, but not limited to, the locations from which materials are sourced, the transport of materials, the locations from which the work force are recruited and emissions from offices and on-site equipment.

2.4 The Supplier shall use reasonable endeavours to avoid the use of paper and card in carrying out its obligations under this Agreement. Where unavoidable under reasonable endeavours, the Supplier shall ensure that any paper or card deployed in the performance of the Services consists of one hundred percent (100%) recycled content and used on both sides where feasible to do so.

2.5 The Supplier shall not provide to the Authority Goods or Deliverables which comprise wholly or partly of Prohibited Items unless such item is a Permitted Item.

2.6 The Supplier shall not use anything which comprises wholly or partly of the Prohibited Items to provide the Services under this Agreement unless:

(a) it is a Permitted Item; or

(b) the use is primarily related to the management of the Supplier's own facilities or internal operations as opposed to the provision of Services.

2.7 The Supplier shall complete the Sustainability Report in relation its provision of the Services under this Agreement and provide the Sustainability Report to the Authority on the date and frequency outlined in Table C of this Annex.

2.8 The Supplier shall comply with reasonable requests by the Authority for information evidencing compliance with the provisions of this Annex within fourteen (14) days of such request, provided that such requests are limited to two per Contract Year.

TABLE A – Prohibited Items

The following consumer single use plastics are Prohibited Items:	**Catering** a. Single use sachets e.g. coffee pods, sauce sachets, milk sachets b. Take away cutlery c. Take away boxes and plates d. Cups made wholly or partially of plastic e. Straws f. Stirrers g. Water bottles
	Facilities a. Single use containers e.g. hand soap, cleaning products b. Wipes containing plastic
	Office Supplies a. Plastic envelopes b. Plastic wrapping for brochures c. Paper or card which is bleached with chlorine
	Packaging a. Single use plastic packaging from deliveries where avoidable e.g. shrink wrapped packaging from office supplier or facilities products. b. Single use carrier bags
Authority specific Prohibitions	Not used
Project specific Prohibitions	Not used

TABLE B – Permitted Items

Authority Permitted Items	Not used
Project Specific Permitted Items	Not used

TABLE C – Sustainability Reports

Report Name	Content of Report	Frequency of Report
Sustainability Impact	a. the key sustainability impacts identified; b. sustainability improvements made; c. actions underway or planned to reduce sustainability impacts; d. contributions made to the Authority's sustainability policies and objectives; e. sustainability policies, standards, targets and practices that have been adopted to reduce the environmental impact of the Supplier's operations and evidence of these being actively pursued, indicating arrangements for engagement and achievements. This can also include where positive sustainability impacts have been delivered; and f. risks to the Service and Subcontractors of climate change and severe weather events such as flooding and extreme temperatures including mitigation, adaptation and continuity plans employed by the Supplier in response to those risks.	On the anniversary of the Effective Date
Waste created	By type of material the weight of waste categories by each means of disposal in the Waste Hierarchy with separate figures for disposal by incineration and landfill.	Before contract award and on the anniversary of the Effective Date.
Waste permits	Copies of relevant permits and exemptions for waste, handling, storage and disposal.	Before the Effective Date, on the anniversary of the Effective Date and within ten (10) Working Days of there is any change or renewal to license or exemption to carry,

		store or dispose waste
Greenhouse Gas Emissions	Indicate greenhouse gas emissions making use of the use of the most recent conversion guidance set out in 'Greenhouse gas reporting – Conversion factors' available online at https://www.gov.uk/guidance/measuring-and-reporting-environmental-impacts-guidance-for-businesses	On the anniversary of the Effective Date
Water Use	Volume in metres cubed.	On the anniversary of the Effective Date
Energy Use	Separate energy consumption figures for: a. assets deployed on the Supplier's site; b. assets deployed on the Authority's site; c. assets deployed off-site; and d. energy consumed by IT assets and by any cooling devices deployed. Power Usage Effectiveness (PUE) rating for each data centre/server room in accordance with ISO/IEC 31034-2/EN 50600-4-2.	On the anniversary of the Effective Date

SCHEDULE 2.4

SERVICE REQUIREMENTS - SECURITY MANAGEMENT

PART A: SECURITY ASSURANCE

1 Definitions

1.1 In this Schedule:

"Anti-Malicious Software"	means software that scans for and identifies possible Malicious Software in the Supplier System;
"Breach of Security	(a) an event that results, or could result, in: (b) any unauthorised access to or use of the Authority Data, the Services and/or the Information Management System; and/or (c) the loss, corruption and/or unauthorised disclosure of any information or data (including the Confidential Information and the Authority Data), including any copies of such information or data, used by the Authority and/or the Supplier in connection with this Agreement;
"Certification Requirements"	means the information security requirements set out in Paragraph 6 (Certification Requirements);
"CHECK Service Provider"	means a company which has been certified by the National Cyber Security Centre, holds "Green Light" status and is authorised to provide the IT Health Check services required by Paragraph 7.1 (Security Testing);
"CREST Service Provider"	means a company with a SOC Accreditation from CREST International;
"Cyber Essentials"	means the Cyber Essentials certificate issued under the Cyber Essentials Scheme;
"Cyber Essentials PLUS"	means the Cyber Essentials Plus certificate issued under the Cyber Essentials Scheme;
"Cyber Essentials Scheme"	means the Cyber Essentials scheme operated by the National Cyber Security Centre;

"Higher Risk Sub-contractor"	means a Sub-contractor that Processes Authority Data, where that data includes either: (a) the Personal Data of 1000 or more individuals in aggregate during the period between the Operational Service Commencement Date and the date on which this Agreement terminates in accordance with Clause 4.1(b); or (b) Special Category Personal Data;
"Incident Management Process"	means the process which the Supplier shall implement immediately after it becomes aware of a Breach of Security which is intended to restore normal operations as quickly as possible, minimising any adverse impact on the Authority Data, the Authority, the Services and/or users of the Services and which shall be shall be prepared by the Supplier in accordance with Paragraph 4 (Information Security Approval Statement) using the template set out in Annex 3 (Security Management Plan Template);
"Information Assurance Assessment"	means the set of policies, procedures, systems and processes which the Supplier shall implement, maintain and update in accordance with Paragraph 4 (Information Security Approval Statement) in order to manage, mitigate and, where possible, avoid information security risks including cyber-attacks, hacks, data leaks, Personal Data Breaches and/or theft and which shall be prepared by the Supplier using the template set out in Annex 3 (Security Management Plan Template);
"Information Management System"	means (a) those parts of the Supplier System, and those of the Sites, that the Supplier or its Sub-contractors will use to provide the parts of the Services that require Processing Authority Data; and (b) the associated information assets and systems (including organisational structure, controls, policies, practices, procedures, processes and resources);
"Information Security Approval Statement"	means a notice issued by the Authority which sets out the information risks which the Supplier has identified as being associated with using the

	Information Management System and confirms that: (a) the Authority is satisfied that the identified risks have been adequately and appropriately addressed; (b) the Authority has accepted the residual risks; and (c) the Supplier may use the Information Management System to Process Authority Data;
"IT Health Check"	has the meaning given in Paragraph 7.1 (Security Testing);
"Medium Risk Sub-contractor"	means a Sub-contractor that Processes Authority Data, where that data (a) includes the Personal Data of between 100 and 999 individuals (inclusive) in the period between the Operational Service Commencement Date and the date on which this Agreement terminates in accordance with Clause 4.1(b); and (b) does not include Special Category Personal Data;
"Personal Data Processing Statement"	means a document setting out: (a) the types of Personal Data which the Supplier and/or its Sub-contractors Processes or will Process under this Agreement; (b) the categories of Data Subjects whose Personal Data the Supplier and/or its Sub-contractors Processes or will Process under this Agreement; (c) the nature and purpose of such Processing; (d) the locations at which the Supplier and/or its Sub-contractors Process Personal Data under this Agreement; and (e) the Protective Measures that the Supplier and, where applicable, its Sub-contractors have implemented to protect Personal Data Processed under this Agreement against a Breach of Security (insofar as that Breach of

Security relates to data) or a Personal Data Breach;

"Process"	means any operation which is performed on data, whether or not by automated means, including collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction;
"Required Changes Register"	mean the register within the Security Management Plan which is to be maintained and updated by the Supplier and which shall record each of the changes that the Supplier shall make to the Information Management System and/or the Security Management Plan as a consequence of the occurrence of any of the events set out in Paragraph 5.2 (Compliance Reviews) together with the date by which such change shall be implemented and the date on which such change was implemented; and
"Special Category Personal Data"	means the categories of Personal Data set out in article 9(1) of the GDPR.

2 Introduction

2.1 This Schedule sets out:

(a) the arrangements the Supplier must implement before, and comply with when, providing the Services and performing its other obligations under this Agreement to ensure the security of the Authority Data and the Information Management System;

(b) the Certification Requirements applicable to the Supplier and each of those Sub-contractors which Processes Authority Data;

(c) the security requirements in Annex 1 (Security Requirements), with which the Supplier must comply;

(d) the tests which the Supplier shall conduct on the Information Management System during the Term;

(e) the Supplier's obligations to:

(i) return or destroy Authority Data on the expiry or earlier termination of this Agreement; and

(ii) prevent the introduction of Malicious Software into the Supplier System and to scan for, contain the spread of, and

minimise the impact of Malicious Software which is introduced into the Supplier System in Paragraph 9 (Malicious Software); and

(iii) report Breaches of Security to the Authority.

3 Principles of Security

3.1 The Supplier acknowledges that the Authority places great emphasis on the confidentiality, integrity and availability of the Authority Data and, consequently on the security of:

(a) the Sites;

(b) the IT Environment;

(c) the Information Management System; and

(d) the Services.

3.2 Notwithstanding the involvement of the Authority in assessing the arrangements which the Supplier implements to ensure the security of the Authority Data and the Information Management System, the Supplier shall be, and shall remain, responsible for:

(a) the security, confidentiality, integrity and availability of the Authority Data whilst that Authority Data is under the control of the Supplier or any of its Sub-contractors; and

(b) the security of the Information Management System.

3.3 The Supplier shall:

(a) comply with the security requirements in Annex 1 (Security Requirements); and

(b) ensure that each Sub-contractor that Processes Authority Data complies with the Sub-contractor Security Requirements.

3.4 The Supplier shall provide the Authority with access to Supplier Personnel responsible for information assurance to facilitate the Authority's assessment of the Supplier's compliance with its obligations set out in this Schedule at reasonable times on reasonable notice.

4 Information Security Approval Statement

4.1 The Supplier must ensure that its Implementation Plan sets out in sufficient detail how it will ensure compliance with the requirements of this Schedule, including any requirements imposed on Sub-contractors by Annex 2 (Security Requirements for Sub-contractors), from the Operational Service Commencement Date.

4.2 The Supplier may not use the Information Management System to Process Authority Data unless and until:

(a) the Supplier has procured the conduct of an IT Health Check of the Supplier System by a CHECK Service Provider or a CREST Service Provider in accordance with Paragraph 7.1 (Security Testing); and

(b) the Authority has issued the Supplier with an Information Security Approval Statement in accordance with the process set out in this Paragraph 4 (Information Security Approval Statement).

4.3 The Supplier shall document in the Security Management Plan how the Supplier and its Sub-contractors shall comply with the requirements set out in this Schedule and the Agreement in order to ensure the security of the Authority Data and the Information Management System.

4.4 The Supplier shall prepare and submit to the Authority within 20 Working Days of the date of this Agreement, the Security Management Plan, which comprises:

(a) an Information Assurance Assessment;

(b) the Required Changes Register;

(c) the Personal Data Processing Statement; and

(d) the Incident Management Process.

4.5 The Authority shall review the Supplier's proposed Security Management Plan as soon as possible and, in any event within 20 Working Days of receipt and shall either issue the Supplier with:

(a) an Information Security Approval Statement, which shall confirm that the Supplier may use the Information Management System to Process Authority Data; or

(b) a rejection notice, which shall set out the Authority's reasons for rejecting the Security Management Plan.

4.6 If the Authority rejects the Supplier's proposed Security Management Plan, the Supplier shall take the Authority's reasons into account in the preparation of a revised Security Management Plan, which the Supplier shall submit to the Authority for review within 10 Working Days or such other timescale as agreed with the Authority.

4.7 The Authority may require, and the Supplier shall provide the Authority and its authorised representatives with:

(a) access to the Supplier Personnel;

(b) access to the Information Management System to audit the Supplier and its Sub-contractors' compliance with this Agreement; and

(c) such other information and/or documentation that the Authority or its authorised representatives may reasonably require,

to assist the Authority to establish whether the arrangements which the Supplier and its Sub-contractors have implemented in order to ensure the

security of the Authority Data and the Information Management System are consistent with the representations in the Security Management Plan. The Supplier shall provide the access required by the Authority in accordance with this Paragraph within 10 Working Days of receipt of such request, except in the case of a Breach of Security in which case the Supplier shall provide the Authority with the access that it requires within 24 hours of receipt of such request.

5 Compliance Reviews

5.1 The Supplier shall regularly review and update the Security Management Plan, and provide such to the Authority, at least once each year and as required by this Paragraph.

5.2 The Supplier shall notify the Authority within 2 Working Days after becoming aware of:

(a) a significant change to the components or architecture of the Information Management System;

(b) a new risk to the components or architecture of the Information Management System;

(c) a vulnerability to the components or architecture of the Service which is classified 'Medium', 'High', 'Critical' or 'Important' in accordance with the classification methodology set out in Paragraph 9.2 (Vulnerabilities and Corrective Action) of Annex 1 (Security Requirements) to this Schedule;

(d) a change in the threat profile;

(e) a significant change to any risk component;

(f) a significant change in the quantity of Personal Data held within the Service;

(g) a proposal to change any of the Sites from which any part of the Services are provided; and/or

(h) an ISO27001 audit report produced in connection with the Certification Requirements indicates significant concerns.

5.3 Within 10 Working Days of such notifying the Authority or such other timescale as may be agreed with the Authority, the Supplier shall make the necessary changes to the Required Changes Register and submit the updated Required Changes Register the Authority for review and approval.

5.4 Where the Supplier is required to implement a change, including any change to the Information Management System, the Supplier shall effect such change at its own cost and expense.

6 Certification Requirements

6.1 The Supplier shall be certified as compliant with:

(a) ISO/IEC 27001:2013 by a United Kingdom Accreditation Service-approved certification body or is included within the scope of an existing certification of compliance with ISO/IEC 27001:2013; and

(b) Cyber Essentials PLUS,

and shall provide the Authority with a copy of each such certificate of compliance before the Supplier shall be permitted to receive, store or Process Authority Data.

6.2 The Supplier shall ensure that each Higher Risk Sub-contractor is certified as compliant with either:

(a) ISO/IEC 27001:2013 by a United Kingdom Accreditation Service-approved certification body or is included within the scope of an existing certification of compliance with ISO/IEC 27001:2013; or

(b) Cyber Essentials PLUS,

and shall provide the Authority with a copy of each such certificate of compliance before the Higher-Risk Sub-contractor shall be permitted to receive, store or Process Authority Data.

6.3 The Supplier shall ensure that each Medium Risk Sub-contractor is certified compliant with Cyber Essentials.

6.4 The Supplier shall ensure that the Supplier and each Sub-contractor who is responsible for the secure destruction of Authority Data:

(a) securely destroys Authority Data only on Sites which are included within the scope of an existing certification of compliance with ISO/IEC 27001:2013; and

(b) are certified as compliant with the NCSC Assured Service (CAS) Service Requirement Sanitisation Standard or an alternative standard as agreed by the Authority.

6.5 The Supplier shall provide the Authority with evidence of its and its Sub-contractor's compliance with the requirements set out in this Paragraph 6 (Certification Requirements) before the Supplier or the relevant Sub-contractor (as applicable) may carry out the secure destruction of any Authority Data.

6.6 The Supplier shall notify the Authority as soon as reasonably practicable and, in any event within 2 Working Days, if the Supplier or any Sub-contractor ceases to be compliant with the Certification Requirements and, on request from the Authority, shall or shall procure that the relevant Sub-contractor shall:

(a) immediately ceases using the Authority Data; and

(b) procure that the relevant Sub-contractor promptly returns, destroys and/or erases the Authority Data in accordance with the requirements set out in this Paragraph.

(c) The Authority may agree to exempt, in whole or part, the Supplier or any Sub-contractor from the requirements of this Paragraph 6 (Certification Requirements). Any exemption must be in writing to be effective. The Supplier must include the exemption in the Security Management Plan.

7 Security Testing

7.1 The Supplier shall, at its own cost and expense procure and conduct:

(a) testing of the Information Management System by a CHECK Service Provider or a CREST Service Provider ("**IT Health Check**"); and

(b) such other security tests as may be required by the Authority,

7.2 The Supplier shall complete all of the above security tests before the Supplier submits the Security Management Plan to the Authority for review in accordance with Paragraph 4 (Information Security Approval Statement); and it shall repeat the IT Health Check not less than once every 12 months during the Term and submit the results of each such test to the Authority for review in accordance with this Paragraph.

7.3 In relation to each IT Health Check, the Supplier shall:

(a) agree with the Authority the aim and scope of the IT Health Check;

(b) promptly, and no later than ten (10) Working Days, following the receipt of each IT Health Check report, provide the Authority with a copy of the full report;

(c) in the event that the IT Health Check report identifies any vulnerabilities, the Supplier shall:

(i) prepare a remedial plan for approval by the Authority (each a "**Vulnerability Correction Plan**") which sets out in respect of each vulnerability identified in the IT Health Check report:

(A) how the vulnerability will be remedied;

(B) unless otherwise agreed in writing between the Parties, the date by which the vulnerability will be remedied, which must be:

(1) within three months of the date the Supplier received the IT Health Check report in the case of any vulnerability categorised with a severity of "medium";

(2) within one month of the date the Supplier received the IT Health Check report in the case of any vulnerability categorised with a severity of "high"; and

(3) within 10 Working Days of the date the Supplier received the IT Health Check report in the case of any vulnerability categorised with a severity of “critical”;

(C) the tests which the Supplier shall perform or procure to be performed (which may, at the discretion of the Authority, include a further IT Health Check) to confirm that the vulnerability has been remedied;

(ii) comply with the Vulnerability Correction Plan; and

(iii) conduct such further tests on the Service as are required by the Vulnerability Correction Plan to confirm that the Vulnerability Correction Plan has been complied with.

7.4 The Supplier shall ensure that any testing which could adversely affect the Supplier System shall be designed and implemented by the Supplier so as to minimise the impact on the delivery of the Services and the date, timing, content and conduct of such tests shall be agreed in advance with the Authority.

7.5 If any testing conducted by or on behalf of the Supplier identifies a new risk, new threat, vulnerability or exploitation technique that has the potential to affect the security of the Information Management System, the Supplier shall within 2 Working Days of becoming aware of such risk, threat, vulnerability or exploitation technique provide the Authority with a copy of the test report and:

(a) propose interim mitigation measures to vulnerabilities in the Information Management System known to be exploitable where a security patch is not immediately available; and

(b) where and to the extent applicable, remove or disable any extraneous interfaces, services or capabilities that are not needed for the provision of the Services (in order to reduce the attack surface of the Supplier System) within the timescales set out in the test report or such other timescales as may be agreed with the Authority.

7.6 The Supplier shall conduct such further tests of the Supplier System as may be required by the Authority from time to time to demonstrate compliance with its obligations set out this Schedule and the Agreement.

7.7 The Supplier shall notify the Authority immediately if it fails to, or believes that it will not, mitigate the vulnerability within the timescales set out in Annex 1 (Security Requirements) to this Schedule.

8 Security Monitoring and Reporting

8.1 The Supplier shall:

(a) monitor the delivery of assurance activities;

(b) maintain and update the Security Management Plan in accordance with Paragraph 5 (Compliance Reviews);

(c) agree a document which presents the residual security risks to inform the Authority's decision to give approval to the Supplier to Process, store and transit the Authority Data;

(d) monitor security risk impacting upon the operation of the Service;

(e) report Breaches of Security in accordance with the approved Incident Management Process;

(f) agree with the Authority the frequency and nature of the security reports to be prepared and submitted by the Supplier to the Authority within 20 Working Days of the Implementation Services Commencement Date.

9 Malicious Software

9.1 The Supplier shall install and maintain Anti-Malicious Software or procure that Anti-Malicious Software is installed and maintained on any part of the Information Management System which may Process Authority Data and ensure that such Anti-Malicious Software is configured to perform automatic software and definition updates as well as regular scans of the Information Management System to check for, prevent the introduction of Malicious Software or where Malicious Software has been introduced into the Information Management System, to identify, contain the spread of, and minimise the impact of Malicious Software.

9.2 If Malicious Software is found, the parties shall cooperate to reduce the effect of the Malicious Software and, particularly if Malicious Software causes loss of operational efficiency or loss or corruption of Authority Data, assist each other to mitigate any Losses and to restore the Services to their desired operating efficiency.

9.3 Any cost arising out of the actions of the parties taken in compliance with the provisions of Paragraph 17.1(b) (Malicious Software) shall be borne by the parties as follows:

(a) by the Supplier where the Malicious Software originates from the Supplier Software, the Third Party Software supplied by the Supplier or the Authority Data (whilst the Authority Data was under the control of the Supplier) unless the Supplier can demonstrate that such Malicious Software was present and not quarantined or otherwise identified by the Authority when provided to the Supplier; and

(b) by the Authority, in any other circumstance.

10 Breach of Security

10.1 If either party becomes aware of a Breach of Security it shall notify the other in accordance with the Incident Management Process.

10.2 The Incident Management Process shall, as a minimum, require the Supplier to do the following upon it becoming aware of a Breach of Security or attempted Breach of Security:

(a) Immediately take all reasonable steps necessary to:

(i) minimise the extent of actual or potential harm caused by such Breach of Security;

(ii) remedy such Breach of Security to the extent possible;

(iii) apply a tested mitigation against any such Breach of Security; and

(iv) prevent a further Breach of Security in the future which exploits the same root cause failure;

(b) as soon as reasonably practicable and, in any event, within 2 Working Days, following the Breach of Security or attempted Breach of Security, provide to the Authority full details of the Breach of Security or attempted Breach of Security, including a root cause analysis where required by the Authority.

10.3 In the event that any action is taken in response to a Breach of Security or attempted Breach of Security as a result of non-compliance by the Supplier, its Sub-contractors and/or all or any part of the Information Management System with this Agreement, then such remedial action shall be completed at no additional cost to the Authority.

ANNEX 1: SECURITY REQUIREMENTS

1 Security Classification of Information

1.1 If the provision of the Services requires the Supplier to Process Authority Data which is classified as OFFICIAL-SENSITIVE, the Supplier shall implement such additional measures as agreed with the Authority from time to time in order to ensure that such information is safeguarded in accordance with the applicable Standards.

2 End User Devices

2.1 The Supplier shall ensure that any Authority Data which resides on a mobile, removable or physically uncontrolled device is stored encrypted using a product or system component which has been formally assured through a recognised certification process agreed with the Authority except where the Authority has given its prior written consent to an alternative arrangement.

2.2 The Supplier shall ensure that any device which is used to Process Authority Data meets all of the security requirements set out in the NCSC End User Devices Platform Security Guidance, a copy of which can be found at: https://www.ncsc.gov.uk/collection/end-user-device-security.

3 Networking

3.1 The Supplier shall ensure that any Authority Data which it causes to be transmitted over any public network (including the Internet, mobile networks or un-protected enterprise network) or to a mobile device shall be encrypted when transmitted.

4 Personnel Security

4.1 All Supplier Personnel shall be subject to a pre-employment check before they may participate in the provision and or management of the Services. Such pre-employment checks must include all pre-employment checks which are required by the HMG Baseline Personnel Security Standard including: verification of the individual's identity; verification of the individual's nationality and immigration status; and, verification of the individual's employment history; verification of the individual's criminal record.

4.2 The Authority and the Supplier shall review the roles and responsibilities of the Supplier Personnel who will be involved in the management and/or provision of the Services in order to enable the Authority to determine which roles require additional vetting and a specific national security vetting clearance (e.g. a Counter Terrorist Check; a Security Check). Roles which are likely to require additional vetting and a specific national security vetting clearance include system administrators whose role would provide those individuals with privileged access to IT systems which Process Authority Data or data which, if it were Authority Data, would be classified as OFFICIAL-SENSITIVE.

4.3 The Supplier shall not permit Supplier Personnel who fail the security checks required by Paragraphs 4.1 and 4.2 (Personnel Security) to be involved in the management and/or provision of the Services except where the Authority has

expressly agreed in writing to the involvement of the named individual in the management and/or provision of the Services.

4.4 The Supplier shall ensure that Supplier Personnel are only granted such access to Authority Data as is necessary to enable the Supplier Personnel to perform their role and to fulfil their responsibilities.

4.5 The Supplier shall ensure that Supplier Personnel who no longer require access to the Authority Data (e.g. they cease to be employed by the Supplier or any of its Sub-contractors), have their rights to access the Authority Data revoked within 1 Working Day.

4.6 The Supplier shall ensure that Supplier Staff that have access to the Sites, the IT Environment or the Authority Data receive regular training on security awareness that reflects the degree of access those individuals have to the Sites, the IT Environment or the Authority Data.

4.7 The Supplier shall ensure that the training provided to Supplier Staff under Paragraph 4.6 (Personnel Security) includes training on the identification and reporting fraudulent communications intended to induce individuals to disclose Personal Data or any other information that could be used, including in combination with other Personal Data or information, or with other techniques, to facilitate unauthorised access to the Sites, the IT Environment or the Authority Data ("phishing").

5 Identity, Authentication and Access Control

5.1 The Supplier shall operate an access control regime to ensure:

(a) all users and administrators of the Supplier System are uniquely identified and authenticated when accessing or administering the Services; and

(b) all persons who access the Sites are identified and authenticated before they are allowed access to the Sites.

5.2 The Supplier shall apply the 'principle of least privilege' when allowing persons access to the Supplier System and Sites so that such persons are allowed access only to those parts of the Sites and the Supplier System they require.

5.3 The Supplier shall retain records of access to the Sites and to the Supplier System and shall make such record available to the Authority on request.

6 Data Destruction or Deletion

6.1 The Supplier shall:

(a) prior to securely sanitising any Authority Data or when requested the Supplier shall provide the Government with all Authority Data in an agreed open format;

(b) have documented processes to ensure the availability of Authority Data in the event of the Supplier ceasing to trade;

(c) securely erase in a manner agreed with the Authority any or all Authority Data held by the Supplier when requested to do so by the Authority;

(d) securely destroy in a manner agreed with the Authority all media that has held Authority Data at the end of life of that media in accordance with any specific requirements in this Agreement and, in the absence of any such requirements, as agreed by the Authority; and

(e) implement processes which address the CPNI and NCSC guidance on secure sanitisation.

7 Audit and Protective Monitoring

7.1 The Supplier shall collect audit records which relate to security events in the Information Management System or that would support the analysis of potential and actual compromises. In order to facilitate effective monitoring and forensic readiness such Supplier audit records should (as a minimum) include regular reports and alerts setting out details of access by users of the Information Management System, to enable the identification of (without limitation) changing access trends, any unusual patterns of usage and/or accounts accessing higher than average amounts of Authority Data.

7.2 The Supplier and the Authority shall work together to establish any additional audit and monitoring requirements for the Information Management System.

7.3 The retention periods for audit records and event logs must be agreed with the Authority and documented in the Security Management Plan.

8 Location of Authority Data

8.1 The Supplier shall not and shall procure that none of its Sub-contractors Process Authority Data outside the United Kingdom without the prior written consent of the Authority, which may be subject to conditions.

9 Vulnerabilities and Corrective Action

9.1 The Authority and the Supplier acknowledge that from time to time vulnerabilities in the Information Management System will be discovered which unless mitigated will present an unacceptable risk to the Authority Data.

9.2 The severity of vulnerabilities for COTS Software shall be categorised by the Supplier as ‘Critical’, ‘Important’ and ‘Other’ by aligning these categories to the vulnerability scoring according to the agreed method in the Security Management Plan and using the appropriate vulnerability scoring systems including:

(a) the ‘National Vulnerability Database’ ‘Vulnerability Severity Ratings’: ‘High’, ‘Medium’ and ‘Low’ respectively (these in turn are aligned to CVSS scores as set out by NIST at http://nvd.nist.gov/cvss.cfm); and

(b) Microsoft's 'Security Bulletin Severity Rating System' ratings 'Critical', 'Important', and the two remaining levels ('Moderate' and 'Low') respectively.

9.3 Subject to Paragraph 9.4 (Vulnerabilities and Corrective Action), the Supplier shall procure the application of security patches to vulnerabilities in the Information Management System within:

(a) seven (7) days after the public release of patches for those vulnerabilities categorised as 'Critical';

(b) thirty (30) days after the public release of patches for those vulnerabilities categorised as 'Important'; and

(c) sixty (60) days after the public release of patches for those vulnerabilities categorised as 'Other'.

9.4 The timescales for applying patches to vulnerabilities in the Information Management System set out in Paragraph 9.3 (Vulnerabilities and Corrective Action) shall be extended where:

(a) the Supplier can demonstrate that a vulnerability in the Information Management System is not exploitable within the context of the Services (e.g. because it resides in a Software component which is not involved in running in the Services) provided such vulnerabilities shall be remedied by the Supplier within the timescales set out in Paragraph 9.3 (Vulnerabilities and Corrective Action) if the vulnerability becomes exploitable within the context of the Services;

(b) the application of a 'Critical' or 'Important' security patch adversely affects the Supplier's ability to deliver the Services in which case the Supplier shall be granted an extension to such timescales of five (5) days, provided the Supplier had followed and continues to follow the security patch test plan agreed with the Authority; or

(c) the Authority agrees a different maximum period after a case-by-case consultation with the Supplier under the processes defined in the Security Management Plan.

9.5 The Security Management Plan shall include provisions for major version upgrades of all COTS Software to be kept up to date such that all COTS Software are always in mainstream support throughout the Term unless otherwise agreed by the Authority in writing. All COTS Software should be no more than N-1 versions behind the latest software release.

10 Secure Architecture

10.1 The Supplier shall design the Information Management System in accordance with:

(a) the NCSC "Security Design Principles for Digital Services", a copy of which can be found at: https://www.ncsc.gov.uk/guidance/security-design-principles-digital-services-main;

(b) the NCSC "Bulk Data Principles", a copy of which can be found at https://www.ncsc.gov.uk/guidance/protecting-bulk-personal-data-main; and

(c) the NSCS "Cloud Security Principles", a copy of which can be found at: https://www.ncsc.gov.uk/guidance/implementing-cloud-security-principles and which are summarised below:

(i) "Cloud Security Principle 1: data in transit protection" which, amongst other matters, requires that user data transiting networks should be adequately protected against tampering and eavesdropping;

(ii) "Cloud Security Principle 2: asset protection and resilience" which, amongst other matters, requires that user data, and the assets storing or processing it, should be protected against physical tampering, loss, damage or seizure;

(iii) "Cloud Security Principle 3: separation between users" which, amongst other matters, requires that a malicious or compromised user of the service should not be able to affect the service or data of another;

(iv) "Cloud Security Principle 4: governance framework" which, amongst other matters, requires that the Supplier should have a security governance framework which coordinates and directs its management of the Services and information within it;

(v) "Cloud Security Principle 5: operational security" which, amongst other matters, requires that the Services need to be operated and managed securely in order to impede, detect or prevent a Breach of Security;

(vi) "Cloud Security Principle 6: personnel security" which, amongst other matters, requires that where Supplier Personnel have access to Authority Data and/or the Authority System that those personnel be subject to appropriate security screening and regular security training;

(vii) "Cloud Security Principle 7: secure development" which, amongst other matters, requires that the Services be designed and developed to identify and mitigate threats to their security;

(viii) "Cloud Security Principle 8: supply chain security" which, amongst other matters, requires the Supplier to ensure that appropriate security controls are in place with its Sub-contractors and other suppliers;

(ix) "Cloud Security Principle 9: secure user management" which, amongst other matters, requires the Supplier to make the

tools available for the Authority to securely manage the Authority's use of the Service;

(x) "Cloud Security Principle 10: identity and authentication" which, amongst other matters, requires the Supplier to implement appropriate controls in order to ensure that access to Service interfaces is constrained to authenticated and authorised individuals;

(xi) "Cloud Security Principle 11: external interface protection" which, amongst other matters, requires that all external or less trusted interfaces with the Services should be identified and appropriately defended;

(xii) "Cloud Security Principle 12: secure service administration" which, amongst other matters, requires that any ICT system which is used for administration of a cloud service will have highly privileged access to that service;

(xiii) "Cloud Security Principle 13: audit information for users" which, amongst other matters, requires the Supplier to be able to provide the Authority with the audit records it needs to monitor access to the Service and the Authority Data held by the Supplier and/or its Sub-contractors; and

(xiv) "Cloud Security Principle 14: secure use of the service" which, amongst other matters, requires the Supplier to educate Supplier Personnel on the safe and secure use of the Information Management System.

ANNEX 2: SECURITY REQUIREMENTS FOR SUB-CONTRACTORS

1 Application of Annex

1.1 This Annex applies to all Sub-contractors that Process Authority Data.

1.2 The Supplier must:

(a) ensure that those Sub-contractors comply with the provisions of this Annex;

(b) keep sufficient records to demonstrate that compliance to the Authority; and

(c) ensure that its Implementation Plan includes Deliverable Items, Milestones and Milestone Dates that relate to the design, implementation and management of any systems used by Sub-contractors to Process Authority Data.

2 Designing and managing secure solutions

2.1 The Sub-contractor shall implement their solution(s) to mitigate the security risks in accordance with the NCSC's Cyber Security Design Principles https://www.ncsc.gov.uk/collection/cyber-security-design-principles.

2.2 The Sub-contractor must assess their systems against the NCSC Cloud Security Principles: https://www.ncsc.gov.uk/collection/cloud-security?curPage=/collection/cloud-security/implementing-the-cloud-security-principles at their own cost and expense to demonstrate that the people, process, technical and physical controls have been delivered in an effective way. The Sub-contractor must document that assessment and make that documentation available to the Authority on the Authority's request.

3 Data Processing, Storage, Management and Destruction

3.1 The Sub-contractor must not Process any Authority Data outside the United Kingdom. The Authority may permit the Sub-contractor to Process Authority Data outside the United Kingdom and may impose conditions on that permission, with which the Sub-contractor must comply. Any permission must be in writing to be effective.

3.2 The Sub-contractor must securely erase any or all Authority Data held by the Sub-contractor when requested to do so by the Authority; and securely destroy all media that has held Authority Data at the end of life of that media in accordance with the NCSC Assured Service (CAS) Service Requirement Sanitisation Standard, or an alternative agreed in writing by the Authority.

4 Personnel Security

4.1 The Sub-contractor must perform appropriate checks on their staff before they may participate in the provision and or management of the Services. Those checks must include all pre-employment checks required by the HMG Baseline Personnel Security Standard including: verification of the individual's identity; verification of the individual's nationality and immigration status;

verification of the individual's employment history; and verification of the individual's criminal record. The HMG Baseline Personnel Security Standard is at https://www.gov.uk/government/publications/government-baseline-personnel-security-standard.

4.2 The Sub-contractor must, if the Authority requires, at any time, ensure that one or more of the Sub-contractor's staff obtains Security Check clearance in order to Process Authority Data containing Personal Data above certain volumes specified by the Authority, or containing Special Category Personal Data.

4.3 Any Sub-contractor staff who will, when performing the Services, have access to a person under the age of 18 years must undergo Disclosure and Barring Service checks.

5 End User Devices

5.1 The Sub-contractor shall ensure that any Authority Data stored (for any period of time) on a mobile, removable or physically uncontrolled device is encrypted. The Sub-contractor must follow the Information Commissioner's Office guidance on implementing encryption, which can be found at https://ico.org.uk/for-organisations/guide-to-data-protection/guide-to-the-general-data-protection-regulation-gdpr/security/encryption/.

5.2 The Supplier shall ensure that any device used to Process Authority Data meets all the security requirements set out in the NCSC End User Devices Platform Security Guidance, which can be found at: https://www.ncsc.gov.uk/guidance/end-user-device-security.

6 Networking

6.1 The Supplier shall ensure that any Authority Data which it causes to be transmitted over any public network (including the Internet, mobile networks or un-protected enterprise network) or to a mobile device shall be encrypted when transmitted.

7 Patching and Vulnerability Scanning

7.1 The Sub-contractor must proactively monitor supplier vulnerability websites and ensure all necessary patches and upgrades are applied to maintain security, integrity and availability in accordance with the NCSC Cloud Security Principles.

8 Third Party Sub-contractors

8.1 The Sub-contractor must not transmit or disseminate the Authority Data to any other person unless specifically authorised by the Authority. Such authorisation must be in writing to be effective and may be subject to conditions.

8.2 The Sub-contractor must not, when performing any part of the Services, use any software to Process the Authority Data where the licence terms of that software purport to grant the licensor rights to Progress the Authority Data greater than those rights strictly necessary for the use of the software.

ANNEX 3: SECURITY MANAGEMENT PLAN TEMPLATE

Security Management Plan Template (Accreditation)

[Project/Service and Supplier Name]

1. Executive Summary

<This section should contain a brief summary of the business context of the system, any key IA controls, the assurance work done, any off-shoring considerations and any significant residual risks that need acceptance.>

2. System Description

2.1 BACKGROUND

< A short description of the project/product/system. Describe its purpose, functionality, aim and scope.>

2.2 ORGANISATIONAL OWNERSHIP/STRUCTURE

<Who owns the system and operates the system and the organisational governance structure. This should include how any ongoing security management is integrated into the project governance e.g. how a Security Working Group reports to the project board.>

2.3 INFORMATION ASSETS AND FLOWS

<The information assets processed by the system which should include a simple high level diagram on one page. Include a list of the type and volumes of data that will be processed, managed and stored within the supplier system. If personal data, please include the fields used such as name, address, department DOB, NI number etc.>

2.4 SYSTEM ARCHITECTURE

<A description of the physical system architecture, to include the system management. A diagram will be needed here>

2.5 USERS

<A brief description of the system users, to include HMG users as well as any service provider users and system managers. If relevant, security clearance level requirements should be included.>

2.6 LOCATIONS

<Where the data assets are stored and managed from. If any locations hold independent security certifications (e.g. ISO27001:2013) these should be noted. Any off-shoring considerations should be detailed.>

2.7 TEST AND DEVELOPMENT SYSTEMS

<Include information about any test and development systems, their locations and whether they contain live system data.>

2.8 KEY ROLES AND RESPONSIBILITIES

<A brief description of the lead security roles such as that of the SIRO, IAO, Security manager, Accreditor >

3. Risk Assessment

3.1 ACCREDITATION/ASSURANCE SCOPE

<This section describes the scope of the Accreditation/Assurance for the system. The scope of the assurance assessment should be clearly indicated, with components of the architecture upon which reliance is placed but assurance will not be done clearly shown e.g. a cloud hosting service. A logical diagram should be used along with a brief description of the components.>

3.2 RISK APPETITE

<A risk appetite should be agreed with the SIRO/SRO and included here.>

3.3 BUSINESS IMPACT ASSESSMENT

< A description of the information assets and the impact of their loss or corruption (e.g. large amounts of Official Sensitive personal data the loss of which would be severely damaging to individuals, embarrassing to HMG, and make HMG liable to ICO investigations) in business terms should be included. This section should cover the impact on loss of confidentiality, integrity and availability of the assets. The format of this assessment may be dependent on the risk assessment method chosen.>

3.4 RISK ASSESSMENT

<The content of this section will depend on the risk assessment methodology chosen, but should contain the output of the formal information risk assessment in a prioritised list using business language. Experts on the system and business process should have been involved in the risk assessment to ensure the formal risk methodology used has not missed out any risks. The example table below should be used as the format to identify the risks and document the controls used to mitigate those risks. >

Risk ID	Inherent risk	Inherent risk level	Vulnerability	Controls	Residual risk level
R1	Internet attackers could hack the system.	Medium	The service systems are exposed to the internet via the web portal.	C1: Internet-facing firewalls C2: Internet-facing IP whitelist C3: System hardening	Very low

Risk ID	Inherent risk	Inherent risk level	Vulnerability	Controls	Residual risk level
				C4: Protective monitoring C5: Application access control C16: Anti-virus for incoming files C54: Files deleted when processed C59: Removal of departmental identifier	
R2	Remote attackers could intercept or disrupt information crossing the internet.	Medium	File sharing with organisations across the internet.	C9: TLS communications C10: PGP file-sharing	Very low
R3	Internal users could maliciously or accidentally alter bank details.	Medium-High	Users bank details can be altered as part of the normal business function.	C12. System administrators hold SC clearance. C13. All changes to user information are logged and audited. C14. Letters are automatically sent to users home addresses when bank details are altered.	Low

Risk ID	Inherent risk	Inherent risk level	Vulnerability	Controls	Residual risk level
				C15. Staff awareness training	

3.5 CONTROLS

<The controls listed above to mitigate the risks identified should be detailed. There should be a description of each control, further information and configuration details where relevant, and an assessment of the implementation status of, and assurance in, the control. A sample layout is included below.>

ID	Control title	Control description	Further information and assurance status
C1	Internet-facing firewalls	Internet-facing firewalls are in place between the internet and the system', which restrict access from the internet to the required ports only.	Assured via ITHC firewall rule check
C2	Internet-facing IP whitelist	An IP whitelist is in place for all access from the internet.	Assured via ITHC
C15	Staff awareness training	All staff must undertake annual security awareness training and this process is audited and monitored by line managers.	Assured as part of ISO27001 certification

3.6 RESIDUAL RISKS AND ACTIONS

<A summary of the residual risks which are likely to be above the risk appetite stated after all controls have been applied and verified should be listed with actions and timescales included.>

4. In-service controls

< This section should describe the controls relating to the information lifecycle, including development, testing, in-service, termination and on-going risk

management and accreditation assurance. Details of any formal assurance requirements specified in the contract such as security CHECK testing or maintained ISO27001 certification should be included. This section should include at least:

(a) information risk management and timescales and triggers for a review;

(b) contractual patching requirements and timescales for the different priorities of patch;

(c) protective monitoring arrangements to include how anomalous behaviour is identified and acted upon as well as how logging and auditing of user activity is done;

(d) configuration and change management;

(e) incident management;

(f) vulnerability management;

(g) user access management; and

(h) data sanitisation and disposal.>

5. Security Operating Procedures (SyOPs)

< If needed any SyOps requirements should be included and referenced here.>

6. Major Hardware and Software and end of support dates

< This should be a table which lists the end of support dates for hardware and software products and components. An example table is shown below.>

Name	Version	End of mainstream Support/Extended Support	Notes/RAG Status
Server Host	HP XXXX	Feb 2020/ March 2022	

7. Incident Management Process

<The suppliers' process, as agreed with the Authority/Customer, should be included here. It must as a minimum include the protocol for how and when incidents will be reported to the Authority/customer and the process that will be undertaken to mitigate the incidents and investigate the root cause.>

8. Security Requirements for User Organisations

<Any security requirements for connecting organisations or departments should be included or referenced here.>

9. Required Changes Register

<The table below shows the headings for the Required Changes Register which should be maintained and used to update the contents of this document at least annually.>

Ref	Section	Change	Agreed With	Date agreed	Documentation update	Status
1	6.4	A new Third Party supplier XXXX will be performing the print capability.	Authority name	11/11/2018	Jul-2019	Open

10. Personal Data Processing Statement

<This should include: (i) the types of Personal Data which the Supplier and/or its Sub-contractors are Processing on behalf of the Authority; (ii) the categories of Data Subjects whose Personal Data the Supplier and/or its Sub-contractors are Processing on behalf of the Authority; the nature and purpose of such Processing; (iii) the locations at which the Supplier and/or its Subcontractors Process Authority Data; and, (iv) the Protective Measures that the Supplier and, where applicable, its Subcontractors have implemented to protect the Authority Data against a Security Breach including a Personal Data Breach.>

11. Annex A. ISO27001 and/or Cyber Essential Plus certificates

<Any certifications relied upon should have their certificates included>

12. Annex B. Cloud Security Principles assessment

<A spreadsheet may be attached>

13. Annex C. Protecting Bulk Data assessment if required by the Authority/Customer

<A spreadsheet may be attached>

14. Annex E. Latest ITHC report and Vulnerability Correction Plan

SCHEDULE 2.5

SERVICE REQUIREMENTS - INSURANCE REQUIREMENTS

1 OBLIGATION TO MAINTAIN INSURANCES

1.1 Without prejudice to its obligations to the Authority under this Agreement, including its indemnity and liability obligations, the Supplier shall for the periods specified in this Schedule take out and maintain, or procure the taking out and maintenance of the insurances as set out in Annex 1 and any other insurances as may be required by applicable Law (together the "**Insurances**"). The Supplier shall ensure that each of the Insurances is effective no later than the date on which the relevant risk commences.

1.2 The Insurances shall be maintained in accordance with Good Industry Practice and (so far as is reasonably practicable) on terms no less favourable than those generally available to a prudent contractor in respect of risks insured in the international insurance market from time to time.

1.3 The Insurances shall be taken out and maintained with insurers who are:

(a) of good financial standing;

(b) appropriately regulated;

(c) regulated by the applicable regulatory body and is in good standing with that regulator; and

(d) except in the case of any Insurances provided by an Affiliate of the Supplier, of good repute in the international insurance market.

1.4 The Supplier shall ensure that the public and products liability policy shall contain an indemnity to principals clause under which the Authority shall be indemnified in respect of claims made against the Authority in respect of death or bodily injury or third party property damage arising out of or in connection with the Agreement and for which the Supplier is legally liable.

2 GENERAL OBLIGATIONS

2.1 Without limiting the other provisions of this Agreement, the Supplier shall:

(a) take or procure the taking of all reasonable risk management and risk control measures in relation to the Services as it would be reasonable to expect of a prudent contractor acting in accordance with Good Industry Practice, including the investigation and reports of relevant claims to insurers;

(b) promptly notify the insurers in writing of any relevant material fact under any Insurances of which the Supplier is or becomes aware; and

(c) hold all policies in respect of the Insurances and cause any insurance broker effecting the Insurances to hold any insurance

slips and other evidence of placing cover representing any of the Insurances to which it is a party.

3 FAILURE TO INSURE

3.1 The Supplier shall not take any action or fail to take any action or (insofar as is reasonably within its power) permit anything to occur in relation to it which would entitle any insurer to refuse to pay any claim under any of the Insurances.

3.2 Where the Supplier has failed to purchase any of the Insurances or maintain any of the Insurances in full force and effect, the Authority may elect (but shall not be obliged) following written notice to the Supplier to purchase the relevant Insurances, and the Authority shall be entitled to recover the reasonable premium and other reasonable costs incurred in connection therewith as a debt due from the Supplier.

4 EVIDENCE OF INSURANCES

4.1 The Supplier shall upon the Effective Date and within 15 Working Days after the renewal or replacement of each of the Insurances, provide evidence, in a form satisfactory to the Authority, that the Insurances are in force and effect and meet in full the requirements of this Schedule. Receipt of such evidence by the Authority shall not in itself constitute acceptance by the Authority or relieve the Supplier of any of its liabilities and obligations under this Agreement.

5 CANCELLATION

5.1 Subject to Paragraph 6.2, the Supplier shall notify the Authority in writing at least 5 Working Days prior to the cancellation, suspension, termination or non-renewal of any of the Insurances.

5.2 Without prejudice to the Supplier's obligations under Paragraph 4, Paragraph 6.1 shall not apply where the termination of any Insurances occurs purely as a result of a change of insurer in respect of any of the Insurances required to be taken out and maintained in accordance with this Schedule.

6 INSURANCE CLAIMS, PREMIUMS AND DEDUCTIBLES

6.1 The Supplier shall promptly notify to insurers any matter arising from, or in relation to, the Services and/or this Agreement for which it may be entitled to claim under any of the Insurances. In the event that the Authority receives a claim relating to or arising out of the Services and/or this Agreement, the Supplier shall co-operate with the Authority and assist it in dealing with such claims at its own expense including without limitation providing information and documentation in a timely manner.

6.2 The Supplier shall maintain a register of all claims under the Insurances in connection with this Agreement and shall allow the Authority to review such register at any time.

6.3 Where any Insurance requires payment of a premium, the Supplier shall be liable for and shall promptly pay such premium.

6.4 Where any Insurance is subject to an excess or deductible below which the indemnity from insurers is excluded, the Supplier shall be liable for such excess or deductible. The Supplier shall not be entitled to recover from the Authority any sum paid by way of excess or deductible under the Insurances whether under the terms of this Agreement or otherwise.

ANNEX 1: REQUIRED INSURANCES

PART A: INSURANCE CLAIM NOTIFICATION

Except where the Authority is the claimant party, the Supplier shall give the Authority notice within 20 Working Days after any insurance claim in excess of £500,000 relating to or arising out of the provision of the Services or this Agreement on any of the Insurances or which, but for the application of the applicable policy excess, would be made on any of the Insurances and (if required by the Authority) full details of the incident giving rise to the claim.

PART B: THIRD PARTY PUBLIC AND PRODUCTS LIABILITY INSURANCE

1 **Insured**

1.1 The Supplier

2 **Interest**

2.1 To indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay as damages, including claimant's costs and expenses, in respect of accidental:

(a) death or bodily injury to or sickness, illness or disease contracted by any person; and

(b) loss of or damage to physical property

happening during the period of insurance (as specified in Paragraph 5 (Period of Insurance)) and arising out of or in connection with the provision of the Services and in connection with this Agreement.

3 **Limit of indemnity**

3.1 Not less than ***£50,000,000*** in respect of any one occurrence, the number of occurrences being unlimited in any annual policy period.

4 **Territorial limits**

4.1 United Kingdom.

5 **Period of insurance**

5.1 From the date of this Agreement until the date which is six (6) years following the end of the Term and renewable on an annual basis unless agreed otherwise by the Authority in writing.

6 **Cover features and extensions**

6.1 Indemnity to principals clause under which the Authority shall be indemnified in respect of claims made against the Authority in respect of death or bodily injury or third party property damage arising out of or in connection with the Agreement and for which the Supplier is legally liable.

7 **Principal exclusions**

7.1 War and related perils.

7.2 Nuclear and radioactive risks.

7.3 Liability for death, illness, disease or bodily injury sustained by employees of the Insured arising out of the course of their employment.

7.4 Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by applicable Law in respect of such vehicles.

7.5 Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the Insured.

7.6 Liability arising out of technical or professional advice other than in respect of death or bodily injury to persons or damage to third party property.

7.7 Liability arising from the ownership, possession or use of any aircraft or marine vessel.

7.8 Liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence.

8 **Maximum deductible threshold**

8.1 Not to exceed **£1,000** *]* for each and every third party property damage claim (personal injury claims to be paid in full).

PART C: UNITED KINGDOM COMPULSORY INSURANCES

The Supplier shall meet its insurance obligations under applicable Law in full, including, UK employers' liability insurance and motor third party liability insurance.

Class	Minimum Sum Insured*
Public Liability	£20 million per claim
Employers Liability	£10 million per claim
Professional Indemnity	£20 million in aggregate
Property Damage and Business Interruption Insurance (the latter being in respect of business interruption in consequence of which there is additional cost of providing the Services)	£10 million per claim
Cyber Liability Insurance	£25 million per claim and in the annual aggregate

*The minimum sums insured in respect of the Insurances shall be reviewed by the Parties 12 months after the Effective Date to ensure that they meet the intention of paragraph 1.2 of this Schedule 2.5. To the extent that an increase in the minimum sum insured is required so as to meet that overriding intention, the Supplier agrees that it shall at the Supplier's cost promptly increase its insurance coverage so as to meet such higher minimum sum.

SCHEDULE 3

AUTHORITY RESPONSIBILITIES

Authority Responsibilities

1 INTRODUCTION

1.1 The responsibilities of the Authority set out in this Schedule shall constitute the Authority Responsibilities under this Agreement. Any obligations of the Authority in Schedule 2.1 (*Services Description*) and Schedule 4.1 (*Supplier Solution*) shall not be Authority Responsibilities and the Authority shall have no obligation to perform any such obligations unless they are specifically stated to be "Authority Responsibilities" and cross referenced in the table in Paragraph 3.

1.2 The responsibilities specified within this Schedule shall be provided to the Supplier free of charge, unless otherwise agreed between the Parties.

2 GENERAL OBLIGATIONS

2.1 The Authority shall:

(a) perform those obligations of the Authority which are set out in the Clauses of this Agreement and the Paragraphs of the Schedules (except Schedule 2.1 (*Services Description*) and Schedule 4.1 (*Supplier Solution*));

(b) use its reasonable endeavours to provide the Supplier with access to appropriate members of the Authority's staff, as such access is reasonably requested by the Supplier in order for the Supplier to discharge its obligations throughout the Term and the Termination Assistance Period;

(c) provide sufficient and suitably qualified staff to fulfil the Authority's roles and duties under this Agreement as defined in the Implementation Plan;

(d) use its reasonable endeavours to provide such documentation, data and/or other information that the Supplier reasonably requests that is necessary to perform its obligations under the terms of this Agreement provided that such documentation, data and/or information is available to the Authority and is authorised for release by the Authority; and

(e) procure for the Supplier such agreed access and use of the Authority Premises (as a licensee only) and facilities (including relevant IT systems) as is reasonably required for the Supplier to comply with its obligations under this Agreement, such access to be provided during the Authority's normal working hours on each Working Day or as otherwise agreed by the Authority (such agreement not to be unreasonably withheld or delayed).

3 SPECIFIC OBLIGATIONS

3.1 The Authority shall, in relation to this Agreement perform the Authority's responsibilities identified as such in this Agreement the details of which are set out below:

Document	Location (Paragraph)
Schedule 4.1 TQ32 - Teachers Pension Scheme ITPD TCS	REDACTED
Schedule 4.1 TQ32 - Teachers Pension Scheme ITPD TCS	**REDACTED**
Schedule 4.1 TQ32 - Teachers Pension Scheme ITPD TCS	**REDACTED**
Schedule 4.1 TQ32 - Teachers Pension Scheme ITPD TCS	**REDACTED**
Schedule 4.1 TQ32 - Teachers Pension Scheme ITPD TCS	**REDACTED**
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Schedule 4.1 TQ32 - Teachers Pension Scheme ITPD TCS	**REDACTED**
Schedule 4.1 TQ32 - Teachers Pension Scheme ITPD TCS	**REDACTED**
Schedule 4.1 TQ32 - Teachers Pension Scheme ITPD TCS	**REDACTED**

SCHEDULE 4

SUPPLIER MATTERS

SCHEDULE 4.1

SUPPLIER MATTERS - SUPPLIER SOLUTION

[REDACTED].

SCHEDULE 4.2

SUPPLIER MATTERS - COMMERCIALLY SENSITIVE INFORMATION

Commercially Sensitive Information

No.	Date	Item(s)	Duration of Confidentiality
1.	Effective Date	Any information falling within the definition of "Confidential Information" provided by or on behalf of the Supplier to the Authority	Duration of Agreement plus 7 years
2.	Effective Date	Supplier's Intellectual Property Rights (including Supplier Background IPRs, proprietary methodologies, processes, procedures, and working practices used to deliver the Services).	Duration of Agreement plus 7 years
3.	Effective Date	Schedule 2.2 Performance Levels, including any performance reports	Duration of Agreement plus 3 years, except where the Authority is required to publish certain KPIs and SLAs
4.	Effective Date	Schedule 4.1 (Supplier Solution)	Duration of Agreement plus 7 years
5.	Effective Date	Schedule 5.1 - Software	Duration of Agreement plus 7 years
6.	Effective Date	Schedule 6.1 (Implementation Plan) Annex 1 – Outline Implementation Plan Detailed Implementation Plan	Operational Service Commencement Date plus 3 years
7.	Effective Date	Schedule 7.1 – add section numbers with pricing Annex 1 – Table 1, Table 2, Table 5, Table 6, Table 7A and 7B Annex 2 – Table 1, Table 2 Annex 5	Duration of Agreement plus 7 years, except where there are references to total contract value or monthly fees, as these are likely to be included as part of the Transparency Information and is therefore not Confidential Information
8.	Effective Date	7.2 Payment on Termination Annex 1 – Maximum Payments on Termination	
9.	Effective Date	Schedule 9.3 – Key Personnel	Duration of Agreement plus 3 years

10.	Effective Date	Contract Inception Reports and updates to the same	Duration of Agreement plus 7 years, except where the Authority will be required to publish certain KPIs and SLAs
11.	Effective Date	Open Book Data provided to the Authority and additional financial Information provided by the Supplier including Schedule 7.4 paragraph 2.3	Duration of Agreement plus 7 years
12.	Effective Date	Details of Insurance Policies	Duration of Agreement plus 3 years
13.	Effective Date	Plans and Reports (other than Transparency Reports) including Schedule 8.4 Clause 2.1	Duration of Agreement plus 3 years
14.	Effective Date	Personal Information which any disclosure may result in breach of the Data Protection Act 2018.	Duration of Agreement plus 7 years
15.	Effective Date	Those parts of any Supplier offer in response to a Change Request whose content relates to the subject matter of clauses or schedules listed above	Duration of Agreement plus 7 years
16.	Effective Date	Schedule 8.1 Governance - Performance Reports, Balanced Scorecards, Authority Dashboard, SLA/KPI/Outcome reports, meeting information packs, presentations, minutes, risk or issue logs	Duration of Agreement plus 3 years
17.	Effective Date	Information relating any Disputes	Duration of Agreement plus 3 years

SCHEDULE 4.3

SUPPLIER MATTERS - NOTIFIED KEY SUB-CONTRACTORS

Notified Key Sub-Contractors

1. In accordance with Clause 15.10 (*Appointment of Key Sub-contractors*), the Supplier is entitled to sub-contract its obligations under this Agreement to the Key Sub-contractors listed in the table below.

2. The Parties agree that they will update this Schedule periodically to record any Key Sub-contractors appointed by the Supplier with the consent of the Authority after the Effective Date for the purposes of the delivery of the Services.

Key Sub-contractor name and address (if not the same as the registered office)	Registered office and company number	Related product/Service description	Key Sub-contract price expressed as a percentage of total projected Charges over the Term	Key role in delivery of the Services	Credit Rating Threshold
No Key Sub-contractors	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

SCHEDULE 4.4

SUPPLIER MATTERS - THIRD PARTY CONTRACTS

Third Party Contracts

1. The contracts listed in the table below constitute Third Party Contracts entered into exclusively for the purposes of delivering the Services.

2. The Supplier shall be entitled to update this Schedule in accordance with Clause 15.5 (*Appointment of Sub-contractors*).

Third party supplier name and address (if not the same as the registered office)	Registered office and company number	Related product/service description
Mercer Limited*	1 Tower Place West, 50 Lower Thames St, Tower, London EC3R 5BU Registration no. 00984275	[REDACTED.]
MBA Group Limited	Registered office: MBA House, Garman Road, London, N17 0HW Company No. 02343859	[REDACTED]

*****In addition to the obligations set out in Clauses 15.5 to 15.9 (*Appointment of Sub-contractors*), the Supplier agrees that it may not cease to use nor replace Mercer Limited without first having obtained the Authority's prior written consent in accordance with Clause 15.10 (*Appointment of Key Sub-contractors*) as if Mercer Limited was a Key Subcontractor.

SCHEDULE 5

SOFTWARE

Software

1 THE SOFTWARE

1.1 The Software below is licensed to the Authority in accordance with Clauses 16 (*Intellectual Property Rights*) and 17 (*Transfer and Licences Granted by the Supplier*).

1.2 The Parties agree that they will update this Schedule regularly, and in any event no less than every 6 (six) Months from the Effective Date, to record any Supplier Software, Third Party Software or OSS subsequently licensed by the Supplier or third parties for the purposes of the delivery of the Services.

2 SUPPLIER SOFTWARE

The Supplier Software includes the following items:

[REDACTED]

3 THIRD PARTY SOFTWARE

The Third Party Software shall include the following items:

[REDACTED]

4 OSS

[REDACTED]

ANNEX 1: FORM OF LETTER RE SUB-LICENSING OF SUPPLIER COTS SOFTWARE AND SUPPLIER COTS BACKGROUND IPRs

[Supplier letterhead]

[insert Authority name and address]

[Date]

Dear Sirs

LICENCES FOR SUPPLIER COTS SOFTWARE AND SUPPLIER COTS BACKGROUND IPRs

We refer to the agreement between us dated [*insert date*] in respect of [*brief summary of subject of the Agreement*] (the "**Agreement**"). Capitalised expressions used in this letter have the same meanings as in the Agreement.

In accordance with Clause 17.4(b) of the Agreement we confirm that:

1 the Authority is licensed by the Supplier to use the Supplier COTS Software and Supplier COTS Background IPRs identified in the first column of the Appendix to this letter (the "**Appendix**") on the terms of the licences identified in the second column of the Appendix (the "**Licences**"); and

2 notwithstanding any provision to the contrary in the Licences, it is agreed that the Authority may sub-license, assign and novate the Supplier COTS Software and Supplier COTS Background IPRs as referred to in Clause 17.4(b) of the Agreement.

Yours faithfully,

Signed:

On behalf of [*name of the Supplier*]

ANNEX 2: FORM OF CONFIDENTIALITY UNDERTAKING

CONFIDENTIALITY AGREEMENT

THIS AGREEMENT is made on [***date***] 20

BETWEEN:

(1) **[*insert name*]** of [*insert address*] (the "**Sub-licensee**"); and

(2) **[*insert name*]** of [*insert address*] (the "**Supplier**" and together with the Supplier, the "**Parties**").

WHEREAS:

(A) [*insert name of Authority*] (the "**Authority**") and the Supplier are party to a contract dated [*insert date*] (the "**Contract**") for the provision by the Supplier of [*insert brief description of services*] to the Authority.

(B) The Authority wishes to grant a sub-licence to the Sub-licensee in respect of certain software and intellectual property rights licensed to the Authority pursuant to the Contract (the "**Sub-licence**").

(C) It is a requirement of the Contract that, before the Authority grants such sub-licence to the Sub-licensee, the Sub-licensee execute a confidentiality agreement in favour of the Supplier in or substantially in the form of this Agreement to protect the Confidential Information of the Supplier.

IT IS AGREED as follows:

1 **INTERPRETATION**

1.1 In this Agreement, unless the context otherwise requires:

"Confidential Information" means:

(a) Information, including all personal data within the meaning of the Data Protection Act 2018, and however it is conveyed, provided by the Authority to the Sub-licensee pursuant to or in connection with the Sub-licence that relates to:

(i) the Supplier; or

(ii) the operations, business, affairs, developments, intellectual property rights, trade secrets, know-how and/or personnel of the Supplier;

(b) the source code and the object code of the software sub-licensed to the Sub-licensee pursuant to the Sub-licence together with build information, relevant design and

development information, technical specifications of all functionality including those not included in standard manuals (such as those that modify system performance and access levels), configuration details, test scripts, user manuals, operating manuals, process definitions and procedures, and all such other documentation supplied by the Supplier to the Authority pursuant to or in connection with the Sub-licence;

(c) other Information provided by the Authority pursuant to this Agreement to the Sub-licensee that is clearly designated as being confidential or equivalent or that ought reasonably to be considered to be confidential which comes (or has come) to the Sub-licensee's attention or into the Sub-licensee's possession in connection with the Sub-licence; and

(d) Information derived from any of the above,

but not including any Information that:

(a) was in the possession of the Sub-licensee without obligation of confidentiality prior to its disclosure by the Authority;

(b) was already generally available and in the public domain at the time of disclosure otherwise than by a breach of this Agreement or breach of a duty of confidentiality; or

(c) was independently developed without access to the Information;

"Information" means all information of whatever nature, however conveyed and in whatever form, including in writing, orally, by demonstration, electronically and in a tangible, visual or machine-readable medium (including CD-ROM, magnetic and digital form); and

"Sub-licence" has the meaning given to that expression in recital (B) to this Agreement.

1.2 In this Agreement:

(a) a reference to any gender includes a reference to other genders;

(b) the singular includes the plural and vice versa;

(c) the words “include” and cognate expressions shall be construed as if they were immediately followed by the words “without limitation”;

(d) references to any statutory provision include a reference to that provision as modified, replaced, amended and/or re-enacted from time to time (before or after the date of this Agreement) and any prior or subsequent subordinate legislation made under it;

(e) headings are included for ease of reference only and shall not affect the interpretation or construction of this Agreement; and

(f) references to Clauses are to clauses of this Agreement.

2 CONFIDENTIALITY OBLIGATIONS

2.1 In consideration of the Authority entering into the Sub-licence, the Sub-licensee shall:

(a) treat all Confidential Information as secret and confidential;

(b) have in place and maintain proper security measures and procedures to protect the confidentiality of the Confidential Information (having regard to its form and nature);

(c) not disclose or permit the disclosure of any of the Confidential Information to any other person without obtaining the prior written consent of the Supplier or except as expressly set out in this Agreement;

(d) not transfer any of the Confidential Information outside the United Kingdom;

(e) not use or exploit any of the Confidential Information for any purpose whatsoever other than as permitted under the Sub-licence;

(f) immediately notify the Supplier in writing if it suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form of any of the Confidential Information; and

(g) upon the expiry or termination of the Sub-licence:

(i) destroy or return to the Supplier all documents and other tangible materials that contain any of the Confidential Information;

(ii) ensure, so far as reasonably practicable, that all Confidential Information held in electronic, digital or other machine-readable form ceases to be readily accessible (other than by the information technology staff of the Sub-licensee) from any computer, word processor, voicemail system or any other device; and

(iii) make no further use of any Confidential Information.

3 PERMITTED DISCLOSURES

3.1 The Sub-licensee may disclose Confidential Information to those of its directors, officers, employees, consultants and professional advisers who:

(a) reasonably need to receive the Confidential Information in connection with the Sub-licence; and

(b) have been informed by the Sub-licensee of the confidential nature of the Confidential Information; and

(c) have agreed to terms similar to those in this Agreement.

3.2 The Sub-licensee shall be entitled to disclose Confidential Information to the extent that it is required to do so by applicable law or by order of a court or other public body that has jurisdiction over the Sub-licensee.

3.3 Before making a disclosure pursuant to Clause 3.2, the Sub-licensee shall, if the circumstances permit:

(a) notify the Supplier in writing of the proposed disclosure as soon as possible (and if possible before the court or other public body orders the disclosure of the Confidential Information); and

(c) ask the court or other public body to treat the Confidential Information as confidential.

4 GENERAL

4.1 The Sub-licensee acknowledges and agrees that all property, including intellectual property rights, in Confidential Information disclosed to it by the Supplier shall remain with and be vested in the Supplier.

4.2 This Agreement does not include, expressly or by implication, any representations, warranties or other obligations:

(a) to grant the Sub-licensee any licence or rights other than as may be expressly stated in the Sub-licence;

(b) to require the Supplier to disclose, continue disclosing or update any Confidential Information; or

(c) as to the accuracy, efficacy, completeness, capabilities, safety or any other qualities whatsoever of any Information or materials provided pursuant to or in anticipation of the Sub-licence.

4.3 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies provided by law. No failure or delay by either Party to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same, or of some other right, power or remedy.

4.4 Without prejudice to any other rights or remedies that the Supplier may have, the Sub-licensee acknowledges and agrees that damages alone may not be an adequate remedy for any breach by the Sub-licensee of any of the

provisions of this Agreement. Accordingly, the Sub-licensee acknowledges that the Supplier shall be entitled to the remedies of injunction and specific performance as well as any other equitable relief for any threatened or actual breach of this Agreement and/or breach of confidence and that no proof of special damages shall be necessary for the enforcement of such remedies.

4.5 The maximum liability of the Sub-licensee to the Supplier for any breach of this Agreement shall be limited to ten million pounds (£10,000,000).

4.6 For the purposes of the Contracts (Rights of Third Parties) Act 1999 no one other than the Parties has the right to enforce the terms of this Agreement.

4.7 Each Party shall be responsible for all costs incurred by it or on its behalf in connection with this Agreement.

4.8 This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

5 NOTICES

5.1 Any notice to be given under this Agreement (each a "**Notice**") shall be given in writing and shall be delivered by hand and shall be deemed to have been duly given at the time of delivery provided that such Notice is sent to the relevant physical address, and expressly marked for the attention of the relevant individual, set out in Clause 5.2.

5.2 Any Notice:

(a) if to be given to the Supplier shall be sent to:

[*Address*]

Attention: [*Contact name and/or position, e.g. "The Finance Director"*]

(b) if to be given to the Sub-licensee shall be sent to:

[*Name of Organisation*]
[*Address*]

Attention: [ ]

6 GOVERNING law

6.1 This Agreement shall be governed by, and construed in accordance with, English law and any matter claim or dispute arising out of or in connection with this Agreement whether contractual or non-contractual, shall be governed by and determined in accordance with English law.

6.2 Each Party hereby irrevocably submits to the exclusive jurisdiction of the English courts in respect of any claim or dispute arising out of or in connection with this Agreement.

IN WITNESS of the above this Agreement has been signed by the duly authorised representatives of the Parties on the date which appears at the head of page 1.

For and on behalf of [*name of Supplier*]

Signature: Date:

_____

Name: Position:

For and on behalf of [*name of Sub-licensee*]

Signature: Date:

_____

Name: Position:

SCHEDULE 6

IMPLEMENTATION AND TESTING

SCHEDULE 6.1

IMPLEMENTATION AND TESTING - IMPLEMENTATION PLAN

1 INTRODUCTION

1.1 This Schedule:

(a) defines the process for the preparation and implementation of the Outline Implementation Plan and Detailed Implementation Plan; and

(b) identifies the Milestones (and associated Deliverables) including the Milestones which trigger payment to the Supplier of the applicable Milestone Payments following the issue of the applicable Milestone Achievement Certificate.

2 OUTLINE IMPLEMENTATION PLAN

2.1 The Outline Implementation Plan is set out in 0.

2.2 All changes to the Outline Implementation Plan shall be subject to the Change Control Procedure provided that the Supplier shall not attempt to postpone any of the Milestones using the Change Control Procedure or otherwise (except in accordance with Clause 32 (*Authority Cause*)).

2.3 All Milestones in the Outline Implementation Plan which have Milestone Dates prior to the Operational Services Commencement Date shall be designated as Key Milestones and ATP Milestones.

2.4 The Operational Services Commencement Date shall be designated as an ATP Milestone and a CPP Milestone in the Outline Implementation Plan.

2.5 The Outline Implementation Plan shall contain a CPP Milestone that the Services are operating in accordance with Schedule 2.1 (*Services Description*), Schedule 2.2 (*Performance Levels*), Schedule 2.3 (*Standards*), Schedule 2.4 (*Security Management*) and Schedule 4.1 (*Supplier Solution*) on the date falling 3 months following the Operational Services Commencement Date.

3 APPROVAL OF THE DETAILED IMPLEMENTATION PLAN

3.1 The Supplier shall submit a draft of the Detailed Implementation Plan to the Authority for approval within 20 Working Days of the Implementation Services Commencement Date.

3.2 The Supplier shall ensure that the draft Detailed Implementation Plan:

(a) incorporates all of the Milestones and Milestone Dates set out in the Outline Implementation Plan;

(b) includes (as a minimum) the Supplier's proposed timescales in respect of the following for each of the Milestones:

(i) the completion of each design document;

(ii) the completion of the build phase;

(iii) the completion of any Testing to be undertaken in accordance with Schedule 6.2 (*Testing Procedures*); and

(iv) training and roll-out activities;

(c) clearly outlines all the steps required to implement the Milestones to be achieved in the next 15 months, together with a high level plan for the rest of the programme, in conformity with the Authority Requirements;

(d) clearly outlines the required roles and responsibilities of both Parties, including staffing requirements; and

(e) is produced using a software tool as specified, or agreed by the Authority.

3.3 Prior to the submission of the draft Detailed Implementation Plan to the Authority in accordance with Paragraph 3.1, the Authority shall have the right:

(a) to review any documentation produced by the Supplier in relation to the development of the Detailed Implementation Plan, including:

(i) details of the Supplier's intended approach to the Detailed Implementation Plan and its development;

(ii) copies of any drafts of the Detailed Implementation Plan produced by the Supplier; and

(iii) any other work in progress in relation to the Detailed Implementation Plan; and

(b) to require the Supplier to include any reasonable changes or provisions in the Detailed Implementation Plan.

3.4 Following receipt of the draft Detailed Implementation Plan from the Supplier, the Authority shall:

(a) review and comment on the draft Detailed Implementation Plan as soon as reasonably practicable; and

(b) notify the Supplier in writing that it approves or rejects the draft Detailed Implementation Plan no later than 20 Working Days after the date on which the draft Detailed Implementation Plan is first delivered to the Authority.

3.5 If the Authority rejects the draft Detailed Implementation Plan:

(a) the Authority shall inform the Supplier in writing of its reasons for its rejection; and

(b) the Supplier shall then revise the draft Detailed Implementation Plan (taking reasonable account of the Authority's comments) and shall re-submit a revised draft Detailed Implementation Plan to the Authority for the Authority's approval within 20 Working Days of the date of the Authority's notice of rejection. The provisions of Paragraph 3.4 and this Paragraph 3.5 shall apply again to any resubmitted draft Detailed Implementation Plan, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.

3.6 If the Authority approves the draft Detailed Implementation Plan, it shall replace the Outline Implementation Plan from the date of the Authority's notice of approval.

4 UPDATES TO AND MAINTENANCE OF THE DETAILED IMPLEMENTATION PLAN

4.1 Following the approval of the Detailed Implementation Plan by the Authority:

(a) the Supplier shall submit a revised Detailed Implementation Plan to the Authority every 3 months starting 3 months from the Implementation Services Commencement Date;

(b) without prejudice to Paragraph 4.1(a), the Authority shall be entitled to request a revised Detailed Implementation Plan at any time by giving written notice to the Supplier and the Supplier shall submit a draft revised Detailed Implementation Plan to the Authority within 20 Working Days of receiving such a request from the Authority (or such longer period as the Parties may agree provided that any failure to agree such longer period shall be referred to the Dispute Resolution Procedure);

(c) any revised Detailed Implementation Plan shall (subject to Paragraph 4.2) be submitted by the Supplier for approval in accordance with the procedure set out in Paragraph 3; and

(d) the Supplier's performance against the Implementation Plan shall be monitored at meetings of the Service Delivery Board (as defined in Schedule 8 (*Governance*). In preparation for such meetings, the current Detailed Implementation Plan shall be provided by the Supplier to the Authority not less than 5 Working Days in advance of each meeting of the Service Delivery Board.

4.2 Save for any amendments which are of a type identified and notified by the Authority (at the Authority's discretion) to the Supplier in writing as not requiring approval, any material amendments to the Detailed Implementation Plan shall be subject to the Change Control Procedure provided that:

(a) any amendments to elements of the Detailed Implementation Plan which are based on the contents of the Outline Implementation Plan shall be deemed to be material amendments; and

(b) in no circumstances shall the Supplier be entitled to alter or request an alteration to any Milestone Date except in accordance with Clause 32 (*Authority Cause*).

4.3 Any proposed amendments to the Detailed Implementation Plan shall not come into force until they have been approved in writing by the Authority.

5 GOVERNMENT REVIEWS

5.1 The Supplier acknowledges that the Services may be subject to Government review at key stages of the project. The Supplier shall cooperate with any bodies undertaking such review and shall allow for such reasonable assistance as may be required for this purpose within the Charges.

ANNEX 1: OUTLINE IMPLEMENTATION PLAN[1]

Milestone	Key Milestone (Y/N)	Deliverables *(bulleted list showing all Deliverables (and associated tasks) required for each Milestone)*	Duration	Milestone Date	Link to ATP/CPP	Payment Milestone (see Schedule 7.1 Annex 1, Table 2) (Y/N)
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

Milestone	Key Milestone (Y/N)	Deliverables *(bulleted list showing all Deliverables (and associated tasks) required for each Milestone)*	Duration	Milestone Date	Link to ATP/CPP	Payment Milestone (see Schedule 7.1 Annex 1, Table 2) (Y/N)
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	• [Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

SCHEDULE 6.2

IMPLEMENTATION AND TESTING - TESTING PROCEDURES

1 DEFINITIONS

In this Schedule, the following definitions shall apply:

"Component"	any constituent parts of the infrastructure for a Service, hardware or Software;
"Material Test Issue"	a Test Issue of Severity Level 1 or Severity Level 2;
"Severity Level"	the level of severity of a Test Issue, the criteria for which are described in 0;
"Test Certificate"	a certificate materially in the form of the document contained in 0 issued by the Authority when a Deliverable has satisfied its relevant Test Success Criteria;
"Test Issue"	any variance or non-conformity of a Deliverable from its requirements (such requirements being set out in the relevant Test Success Criteria);
"Test Issue Threshold"	in relation to the Tests applicable to a Milestone, a maximum number of Severity Level 3, Severity Level 4 and Severity Level 5 Test Issues as set out in the relevant Test Plan;
"Test Issue Management Log"	a log for the recording of Test Issues as described further in Paragraph 44;
"Test Plan"	a plan: (a) for the Testing of Deliverables; and (b) setting out other agreed criteria related to the achievement of Milestones, as described further in Paragraph 5;
"Test Reports"	the reports to be produced by the Supplier setting out the results of Tests;
"Test Specification"	the specification that sets out how Tests will demonstrate that the Test Success Criteria have been satisfied, as described in more detail in Paragraph 7;

"Test Strategy"	a strategy for the conduct of Testing as described further in Paragraph 4;
"Test Success Criteria"	in relation to a Test, the test success criteria for that Test as referred to in Paragraph 6;
"Test Witness"	any person appointed by the Authority pursuant to Paragraph 43; and
"Testing Procedures"	the applicable testing procedures and Test Success Criteria set out in this Schedule.

2 RISK

2.1 The issue of a Test Certificate, a Milestone Achievement Certificate and/or a conditional Milestone Achievement Certificate shall not:

(a) operate to transfer any risk that the relevant Deliverable or Milestone is complete or will meet and/or satisfy the Authority's requirements for that Deliverable or Milestone; or

(b) affect the Authority's right subsequently to reject:

(i) all or any element of the Deliverables to which a Test Certificate relates; or

(ii) any Milestone to which the Milestone Achievement Certificate relates.

2.2 Notwithstanding the issuing of any Milestone Achievement Certificate (including the Milestone Achievement Certificate in respect of Authority to Proceed), the Supplier shall remain solely responsible for ensuring that:

(a) the Supplier Solution as designed and developed is suitable for the delivery of the Services and meets the Authority Requirements;

(b) the Services are implemented in accordance with this Agreement; and

(c) each Target Performance Level is met from the relevant Operational Service Commencement Date.

3 TESTING OVERVIEW

3.1 All Tests conducted by the Supplier shall be conducted in accordance with the Test Strategy, the Test Plans and the Test Specifications.

3.2 The Supplier shall not submit any Deliverable for Testing:

(a) unless the Supplier is reasonably confident that it will satisfy the relevant Test Success Criteria;

(b) until the Authority has issued a Test Certificate in respect of any prior, dependant Deliverable(s); and

(c) until the Parties have agreed the Test Plan and the Test Specification relating to the relevant Deliverable(s).

3.3 The Supplier shall use reasonable endeavours to submit each Deliverable for Testing or re-Testing by or before the date set out in the Implementation Plan for the commencement of Testing in respect of the relevant Deliverable.

3.4 Prior to the issue of a Test Certificate, the Authority shall be entitled to review the relevant Test Reports and the Test Issue Management Log.

3.5 Any Disputes between the Authority and the Supplier regarding Testing shall be referred to the Dispute Resolution Procedure using the Expedited Dispute Timetable.

4 TEST STRATEGY

4.1 The Supplier shall develop the final Test Strategy as soon as practicable after the Effective Date but in any case no later than 20 Working Days (or such other period as the Parties may agree in writing) after the Implementation Services Commencement Date.

4.2 The final Test Strategy shall include:

(a) an overview of how Testing will be conducted in accordance with the Implementation Plan;

(b) the process to be used to capture and record Test results and the categorisation of Test Issues;

(c) the method for mapping the expected Test results to the Test Success Criteria;

(d) the procedure to be followed if a Deliverable fails to satisfy the Test Success Criteria or produces unexpected results, including a procedure for the resolution of Test Issues;

(e) the procedure to be followed to sign off each Test;

(f) the process for the production and maintenance of Test Reports and reporting, including templates for the Test Reports and the Test Issue Management Log, and a sample plan for the resolution of Test Issues;

(g) the names and contact details of the Authority's and the Supplier's Test representatives;

(h) a high level identification of the resources required for Testing, including facilities, infrastructure, personnel and Authority and/or third party involvement in the conduct of the Tests;

(i) the technical environments required to support the Tests; and

(j) the procedure for managing the configuration of the Test environments.

5 TEST PLANS

5.1 The Supplier shall develop Test Plans and submit these for the approval of the Authority as soon as practicable but in any case no later than 20 Working Days (or such other period as the Parties may agree in the Test Strategy or otherwise agree in writing) prior to the start date for the relevant Testing (as specified in the Implementation Plan).

5.2 Each Test Plan shall include as a minimum:

(a) the relevant Test definition and the purpose of the Test, the Milestone to which it relates, the requirements being tested and, for each Test, the specific Test Success Criteria to be satisfied;

(b) a detailed procedure for the Tests to be carried out, including:

(i) the timetable for the Tests, including start and end dates;

(ii) the Testing mechanism;

(iii) dates and methods by which the Authority can inspect Test results or witness the Tests in order to establish that the Test Success Criteria have been met;

(iv) the mechanism for ensuring the quality, completeness and relevance of the Tests;

(v) the format and an example of Test progress reports and the process with which the Authority accesses daily Test schedules;

(vi) the process which the Authority will use to review Test Issues and the Supplier's progress in resolving these in a timely basis;

(vii) the Test Schedule;

(viii) the re-Test procedure, the timetable and the resources which would be required for re-Testing; and

(c) the process for escalating Test Issues from a re-test situation to the taking of specific remedial action to resolve the Test Issue.

5.3 The Authority shall not unreasonably withhold or delay its approval of the Test Plans provided that the Supplier shall incorporate any reasonable requirements of the Authority in the Test Plans.

6 TEST SUCCESS CRITERIA

6.1 The Test Success Criteria for:

(a) each Test that must be Achieved for the Supplier to Achieve either the ATP Milestone or a CPP Milestone are set out in the Test Plan, using the template set out in 0; and

(b) all other Tests shall be agreed between the Parties as part of the relevant Test Plan pursuant to Paragraph 5.

7 TEST SPECIFICATION

7.1 Following approval of a Test Plan, the Supplier shall develop the Test Specification for the relevant Deliverables as soon as reasonably practicable and in any event at least 10 Working Days (or such other period as the Parties may agree in the Test Strategy or otherwise agree in writing) prior to the start of the relevant Testing (as specified in the Implementation Plan).

7.2 Each Test Specification shall include as a minimum:

(a) the specification of the Test data, including its source, scope, volume and management, a request (if applicable) for relevant Test data to be provided by the Authority and the extent to which it is equivalent to live operational data;

(b) a plan to make the resources available for Testing;

(c) Test scripts;

(d) Test pre-requisites and the mechanism for measuring them; and

(e) expected Test results, including:

(i) a mechanism to be used to capture and record Test results; and

(ii) a method to process the Test results to establish their content.

8 TESTING

8.1 Before submitting any Deliverables for Testing the Supplier shall subject the relevant Deliverables to its own internal quality control measures.

8.2 The Supplier shall manage the progress of Testing in accordance with the relevant Test Plan and shall carry out the Tests in accordance with the relevant Test Specification. Tests may be witnessed by the Test Witnesses in accordance with Paragraph 10.

8.3 The Supplier shall notify the Authority at least 10 Working Days (or such other period as the Parties may agree in writing) in advance of the date, time and location of the relevant Tests and the Authority shall ensure that the Test Witnesses attend the Tests, except where the Authority has specified in writing that such attendance is not necessary.

8.4 The Authority may raise and close Test Issues during the Test witnessing process.

8.5 The Supplier shall provide to the Authority in relation to each Test:

(a) a draft Test Report not less than 2 Working Days (or such other period as the Parties may agree in writing) prior to the date on which the Test is planned to end; and

(b) the final Test Report within 5 Working Days (or such other period as the Parties may agree in writing) of completion of Testing.

8.6 Each Test Report shall provide a full report on the Testing conducted in respect of the relevant Deliverables, including:

(a) an overview of the Testing conducted;

(b) identification of the relevant Test Success Criteria that have been satisfied;

(c) identification of the relevant Test Success Criteria that have not been satisfied together with the Supplier's explanation of why those criteria have not been met;

(d) the Tests that were not completed together with the Supplier's explanation of why those Tests were not completed;

(e) the Test Success Criteria that were satisfied, not satisfied or which were not tested, and any other relevant categories, in each case grouped by Severity Level in accordance with Paragraph 44; and

(f) the specification for any hardware and software used throughout Testing and any changes that were applied to that hardware and/or software during Testing.

9 TEST ISSUES

9.1 Where a Test Report identifies a Test Issue, the Parties shall agree the classification of the Test Issue using the criteria specified in 0 and the Test Issue Management Log maintained by the Supplier shall log Test Issues reflecting the Severity Level allocated to each Test Issue.

9.2 The Supplier shall be responsible for maintaining the Test Issue Management Log and for ensuring that its contents accurately represent the current status of each Test Issue at all relevant times. The Supplier shall make the Test Issue Management Log available to the Authority upon request.

9.3 The Authority shall confirm the classification of any Test Issue unresolved at the end of a Test in consultation with the Supplier. If the Parties are unable to agree the classification of any unresolved Test Issue, the Dispute shall be dealt with in accordance with the Dispute Resolution Procedure using the Expedited Dispute Timetable.

10 TEST WITNESSING

10.1 The Authority may, in its sole discretion, require the attendance at any Test of one or more Test Witnesses selected by the Authority, each of whom shall have appropriate skills to fulfil the role of a Test Witness.

10.2 The Supplier shall give the Test Witnesses access to any documentation and Testing environments reasonably necessary and requested by the Test Witnesses to perform their role as a Test Witness in respect of the relevant Tests.

10.3 The Test Witnesses:

(a) shall actively review the Test documentation;

(b) will attend and engage in the performance of the Tests on behalf of the Authority so as to enable the Authority to gain an informed view of whether a Test Issue may be closed or whether the relevant element of the Test should be re-Tested;

(c) shall not be involved in the execution of any Test;

(d) shall be required to verify that the Supplier conducted the Tests in accordance with the Test Success Criteria and the relevant Test Plan and Test Specification;

(e) may produce and deliver their own, independent reports on Testing, which may be used by the Authority to assess whether the Tests have been Achieved;

(f) may raise Test Issues on the Test Issue Management Log in respect of any Testing; and

(g) may require the Supplier to demonstrate the modifications made to any defective Deliverable before a Test Issue is closed.

11 TEST QUALITY AUDIT

11.1 Without prejudice to its rights pursuant to Clause 12.2(b) (*Records, Reports, Audits & Open Book Data*), the Authority may perform on-going quality audits in respect of any part of the Testing (each a "**Testing Quality Audit**") subject to the provisions set out in the agreed Quality Plan.

11.2 The focus of the Testing Quality Audits shall be on:

(a) adherence to an agreed methodology;

(b) adherence to the agreed Testing process;

(c) adherence to the Quality Plan;

(d) review of status and key development issues; and

(e) identification of key risk areas.

11.3 The Supplier shall allow sufficient time in the Test Plan to ensure that adequate responses to a Testing Quality Audit can be provided.

11.4 The Authority will give the Supplier at least 5 Working Days' written notice of the Authority's intention to undertake a Testing Quality Audit and the Supplier may request, following receipt of that notice, that any Testing Quality Audit be delayed by a reasonable time period if in the Supplier's reasonable opinion, the carrying out of a Testing Quality Audit at the time specified by the Authority will materially and adversely impact the Implementation Plan.

11.5 A Testing Quality Audit may involve document reviews, interviews with the Supplier Personnel involved in or monitoring the activities being undertaken pursuant to this Schedule, the Authority witnessing Tests and demonstrations of the Deliverables to the Authority. Any Testing Quality Audit shall be limited in duration to a maximum time to be agreed between the Supplier and the Authority on a case by case basis (such agreement not to be unreasonably withheld or delayed). The Supplier shall provide all reasonable necessary assistance and access to all relevant documentation required by the Authority to enable it to carry out the Testing Quality Audit.

11.6 If the Testing Quality Audit gives the Authority concern in respect of the Testing Procedures or any Test, the Authority shall:

(a) discuss the outcome of the Testing Quality Audit with the Supplier, giving the Supplier the opportunity to provide feedback in relation to specific activities; and

(b) subsequently prepare a written report for the Supplier detailing its concerns,

and the Supplier shall, within a reasonable timeframe, respond in writing to the Authority's report.

11.7 In the event of an inadequate response to the Authority's report from the Supplier, the Authority (acting reasonably) may withhold a Test Certificate (and consequently delay the grant of a Milestone Achievement Certificate) until the issues in the report have been addressed to the reasonable satisfaction of the Authority.

12 OUTCOME OF TESTING

12.1 The Authority shall issue a Test Certificate as soon as reasonably practicable when the Deliverables satisfy the Test Success Criteria in respect of that Test without any Test Issues.

12.2 If the Deliverables (or any relevant part) do not satisfy the Test Success Criteria then the Authority shall notify the Supplier and:

(a) the Authority may issue a Test Certificate conditional upon the remediation of the Test Issues;

(b) where the Parties agree that there is sufficient time prior to the relevant Milestone Date, the Authority may extend the Test Plan by such reasonable period or periods as the Parties may reasonably

agree and require the Supplier to rectify the cause of the Test Issue and re-submit the Deliverables (or the relevant part) to Testing; or

(c) where the failure to satisfy the Test Success Criteria results, or is likely to result, in the failure (in whole or in part) by the Supplier to meet a Milestone, then without prejudice to the Authority's other rights and remedies, such failure shall constitute a Notifiable Default for the purposes of Clause 28.1 (*Rectification Plan Process*).

12.3 The Authority shall be entitled, without prejudice to any other rights and remedies that it has under this Agreement, to recover from the Supplier any reasonable additional costs it may incur as a direct result of further review or re-Testing which is required for the Test Success Criteria for that Deliverable to be satisfied.

13 ISSUE OF MILESTONE ACHIEVEMENT CERTIFICATE

13.1 The Authority shall issue a Milestone Achievement Certificate in respect of a given Milestone as soon as is reasonably practicable following:

(a) the issuing by the Authority of Test Certificates and/or conditional Test Certificates in respect of all Deliverables related to that Milestone which are due to be Tested; and

(b) performance by the Supplier to the reasonable satisfaction of the Authority of any other tasks identified in the Implementation Plan as associated with that Milestone (which may include the submission of a Deliverable that is not due to be Tested, such as the production of Documentation).

13.2 The grant of a Milestone Achievement Certificate shall entitle the Supplier to the receipt of a payment in respect of that Milestone in accordance with the provisions of Schedule 7 (*Charges and Invoicing*).

13.3 If a Milestone is not Achieved, the Authority shall promptly issue a report to the Supplier setting out:

the applicable Test Issues ; and

any other reasons for the relevant Milestone not being Achieved.

13.4 If there are Test Issues but these do not exceed the Test Issues Threshold, then provided there are no Material Test Issues, the Authority shall issue a Milestone Achievement Certificate.

13.5 Without prejudice to the Authority's other remedies the following shall constitute a Notifiable Default for the purposes of Clause 28.1 (*Rectification Plan Process*) and the Authority shall refuse to issue a Milestone Achievement Certificate where:

(a) there is one or more Material Test Issue(s); or

(b) the information required under Schedule 8.4 (*Reports and Records Provisions*) Annex 3 (*Virtual Library*) has not been uploaded to the Virtual Library in accordance with Paragraph 3 of that Schedule.

13.6 If there are Test Issues which exceed the Test Issues Threshold but there are no Material Test Issues, the Authority may at its discretion (without waiving any rights in relation to the other options) choose to issue a Milestone Achievement Certificate conditional on the remediation of the Test Issues in accordance with an agreed Rectification Plan provided that:

(a) any Rectification Plan shall be agreed before the issue of a conditional Milestone Achievement Certificate unless the Authority agrees otherwise (in which case the Supplier shall submit a Rectification Plan for approval by the Authority within 10 Working Days of receipt of the Authority's report pursuant to Paragraph 13.3); and

(b) where the Authority issues a conditional Milestone Achievement Certificate, it may (but shall not be obliged to) revise the failed Milestone Date and any subsequent Milestone Date.

ANNEX 1: TEST ISSUES – SEVERITY LEVELS

1 **Severity Level 1 Test Issue:** a Test Issue that causes non-recoverable conditions, e.g. it is not possible to continue using a Component, a Component crashes, there is database or file corruption, or data loss;

2 **Severity Level 2 Test Issue:** a Test Issue for which, as reasonably determined by the Authority, there is no practicable workaround available, and which:

2.1 causes a Component to become unusable;

2.2 causes a lack of functionality, or unexpected functionality, that has an impact on the current Test; or

2.3 has an adverse impact on any other Component(s) or any other area of the Services;

3 **Severity Level 3 Test Issue:** a Test Issue which:

3.1 causes a Component to become unusable;

3.2 causes a lack of functionality, or unexpected functionality, but which does not impact on the current Test; or

3.3 has an impact on any other Component(s) or any other area of the Services;

but for which, as reasonably determined by the Authority, there is a practicable workaround available;

4 **Severity Level 4 Test Issue:** a Test Issue which causes incorrect functionality of a Component or process, but for which there is a simple, Component based, workaround, and which has no impact on the current Test, or other areas of the Services; and

5 **Severity Level 5 Test Issue:** a Test Issue that causes a minor problem, for which no workaround is required, and which has no impact on the current Test, or other areas of the Services

ANNEX 2: TEST CERTIFICATE

To: [***NAME OF SUPPLIER***]

FROM: [***NAME OF AUTHORITY***]

[***Date***]

Dear Sirs,

TEST CERTIFICATE

Deliverables: [***insert description of Deliverables***]

We refer to the agreement (the "**Agreement**") relating to the provision of the Services between the [***name of Authority***] (the "**Authority**") and [***name of Supplier***] (the "**Supplier**") dated [***date***].

Capitalised terms used in this certificate have the meanings given to them in Schedule 1 (*Definitions*) or Schedule 6.2 (*Testing Procedures*) of the Agreement.

[We confirm that the Deliverables listed above have been tested successfully in accordance with the Test Plan relevant to those Deliverables.]

OR

[This Test Certificate is issued pursuant to Paragraph 12.1 of Schedule 6.2 (*Testing Procedures*) of the Agreement on the condition that any Test Issues are remedied in accordance with the Rectification Plan attached to this certificate.]*

**delete as appropriate*

Yours faithfully

[***Name***]

[***Position***]

acting on behalf of [***name of Authority***]

ANNEX 3: MILESTONE ACHIEVEMENT CERTIFICATE

To: [***NAME OF SUPPLIER***]

FROM: [***NAME OF AUTHORITY***]

[***Date***]

Dear Sirs,

MILESTONE ACHIEVEMENT CERTIFICATE

Milestone: [***insert description of Milestone***]

We refer to the agreement (the "**Agreement**") relating to the provision of the Services between the [***name of Authority***] (the "**Authority**") and [***name of Supplier***] (the "**Supplier**") dated [***date***].

Capitalised terms used in this certificate have the meanings given to them in Schedule 1 (*Definitions*) or Schedule 6.2 (*Testing Procedures*) of the Agreement.

[We confirm that all the Deliverables relating to Milestone [***number***] have been tested successfully in accordance with the Test Plan relevant to this Milestone [or that a conditional Test Certificate has been issued in respect of those Deliverables that have not satisfied the relevant Test Success Criteria.]]*

OR

[This Milestone Achievement Certificate is granted pursuant to Paragraph 13.1 of Schedule 6.2 (*Testing Procedures*) of the Agreement on the condition that any Test Issues are remedied in accordance with the Rectification Plan attached to this certificate.]*

[You may now issue an invoice in respect of the Milestone Payment associated with this Milestone in accordance with the provisions of Schedule 7 (*Charges and Invoicing*)]*

**delete as appropriate*

Yours faithfully

[***Name***]

[***Position***]

acting on behalf of [***Authority***]

ANNEX 4: TEST SUCCESS CRITERIA

1 Tests to be Achieved in order to Achieve the ATP Milestone

Test	Pre-conditions*	Test Success Criteria
[*List all Tests relating to ATP Milestone*]		

* Note: The Pre-Conditions are that e.g. the Test Success Criteria for the previous Tests must be satisfied before the ATP Milestone tests are commenced

2 Tests to be Achieved in order to Achieve a CPP Milestone

CPP Milestone Charge No.	Test	Test Success Criteria
	[List all Tests relating to CPP Milestone Charge No.]	

SCHEDULE 7

FINANCIAL MATTERS

SCHEDULE 7.1

FINANCIAL MATTERS **- CHARGES AND INVOICING**

1 DEFINITIONS

1.1 In this Schedule, the following definitions shall apply:

"Achieved Profit Margin"	the cumulative Supplier Profit Margin calculated from (and including) the Effective Date (or, if applicable, the date of the last adjustment to the Charges made pursuant to Paragraph 2.2 of Part D) to (and including) the last day of the previous Contract Year;
"Allowable Resource Days"	twenty (20) Work Days of resource per Contract Year (subject to the provisions of Paragraph 4.3 of Part B) to be allocated as determined by the Authority;
"Anticipated Contract Life Profit Margin"	the anticipated Supplier Profit Margin over the Term as reflected in cell G25, worksheet 8 (model assumptions) of the Financial Model;
"Certificate of Costs"	a certificate of costs signed by the Supplier's Chief Financial Officer or Director of Finance (or equivalent as agreed in writing by the Authority in advance of issue of the relevant certificate) and substantially in the format set out in Annex 3;
"Costs"	the following costs (without double recovery) to the extent that they are reasonably and properly incurred by the Supplier in providing the Services: a) the cost to the Supplier or the Key Sub-contractor (as the context requires), calculated per Work Day, of engaging the Supplier Personnel, including: (i) base salary paid to the Supplier Personnel; (ii) employer's national insurance contributions; (iii) Employer Pension Contributions;

(iv) car allowances;

(v) any other contractual employment benefits;

(vi) staff training;

(vii) work place accommodation;

(viii) work place IT equipment and tools reasonably necessary to perform the Services (but not including items included within limb b) below); and

(ix) reasonable recruitment costs, as agreed with the Authority;

b) costs incurred in respect of those Assets which are detailed on the Registers and which would be treated as capital costs according to generally accepted accounting principles within the UK, which shall include the cost to be charged in respect of Assets by the Supplier to the Authority or (to the extent that risk and title in any Asset is not held by the Supplier) any cost actually incurred by the Supplier in respect of those Assets;

c) operational costs which are not included within a) or b) above, to the extent that such costs are necessary and properly incurred by the Supplier in the delivery of the Services;

d) not used;

e) not used;

but excluding:

(i) Overhead;

(ii) financing or similar costs;

(iii) maintenance and support costs to the extent that these relate to maintenance and/or support services provided beyond the Term, whether in relation to Assets or otherwise;

(iv) taxation;

(v) fines and penalties;

(vi) amounts payable under Schedule 7.3 (*Benchmarking*); and

(vii) non-cash items (including depreciation, amortisation, impairments and movements in provisions);

"Delay Payment Rate"	has the meaning given in Paragraph 1.1(a) of Part C;
"Employer Pension Contributions"	in respect of CSPS Eligible Employees those sums set out at Clauses 7.1.1 (*annual administration charges covering core services*), 7.1.5 (*employer contributions*), 7.1.7 (*the ASLC*) and 7.1.8 (*flat charges applicable to the Partnership Pension Account*) of the Admission Agreement and such other employer pension contributions, charges or costs incurred by the Supplier which have been expressly agreed by the Authority in writing to constitute 'Employer Pension Contributions';
"European Standard"	in relation to an electronic invoice means the European standard and any of the syntaxes published in Commission Implementing Decision (EU) 2017/1870.
"Firm Price"	has the meaning set out in Paragraphs 1.2 and 5 of Part A: Pricing.
"Fixed Price"	has the meaning set out in Paragraphs 1.3(c) and 4 of Part A: Pricing.
"Forecast Contingency Costs"	the costs which the Supplier forecasts may be incurred in relation to the risks and contingencies that are identified in the Risk Register, such costs being those set out in the column headed 'Forecast Contingency Costs' in the Risk Register (as such costs are updated from time to time);
"Indexation" and "Index"	the adjustment of an amount or sum in accordance with Paragraph 5 of Part C;
"Maximum Permitted Profit Margin"	the Anticipated Contract Life Profit Margin plus 5%;
"Milestone Retention"	has the meaning given in Paragraph 1.3 of Part C;

"Non-Staff/Accommodation Costs"	those costs detailed in limbs (a)(viii), (a)(ix), (b) and (c) inclusive only of the definition of Costs as reflected in cell F23, worksheet 17 (Cost Breakdown – by year) of the Financial Model;
“Overhead”	those amounts which are intended to recover a proportion of the Supplier’s or the Key Sub-contractor’s (as the context requires) indirect corporate costs (including financing, marketing, advertising, research and development and insurance costs and any fines or penalties) but excluding allowable indirect costs apportioned to facilities and administration in the provision of Supplier Personnel and accordingly included within limb a) of the definition of “Costs” or the day cost set out in Table 3 of Annex 1;
"Staff and Accommodation Costs"	those costs detailed in limb (a)(i) to (a)(vii) inclusive only of the definition of Costs as reflected in cell F24, worksheet 17 (Cost Breakdown – by year) of the Financial Model;
“Supplier Profit”	in relation to a period or a Milestone (as the context requires), the difference between the total Charges (in nominal cash flow terms but excluding any Deductions) and total Costs (in nominal cash flow terms) for the relevant period or in relation to the relevant Milestone;
“Supplier Profit Margin”	in relation to a period or a Milestone (as the context requires), the Supplier Profit for the relevant period or in relation to the relevant Milestone divided by the total Charges over the same period or in relation to the relevant Milestone and expressed as a percentage;
“Supporting Documentation”	sufficient information in writing to enable the Authority reasonably to assess whether the Charges, Allowable Resource Days and other sums due from the Authority or otherwise expended detailed in the information are properly payable or allowable, including copies of any applicable Milestone Achievement Certificates, time sheets or receipts;
“Verification Period”	in relation to an Allowable Assumption, the period from (and including) the Effective Date to (and including) the date at which the relevant Allowable Assumption expires, as set out against the relevant

	Allowable Assumption in column 11 in the table in Annex 5;
"Work Day"	7.5 Work Hours, whether or not such hours are worked consecutively and whether or not they are worked on the same day;
"Work Hours"	the hours spent by the Supplier Personnel properly working on the Services including time spent travelling (other than to and from the Supplier's offices, or to and from the Sites) but excluding lunch breaks;

PART A: PRICING

1 APPLICABLE PRICING MECHANISM

1.1 Milestone Payments and Service Charges shall be calculated using the pricing mechanism specified in Annex 2 and on the basis of the rates and prices specified in Annex 1 as more particularly set out in this Schedule.

1.2 The pricing mechanism used to calculate each Milestone Payment shall be "**Firm Price**" and the provisions of Paragraph 5 shall apply.

1.3 Table 2 of Annex 2 sets out which pricing mechanism shall be used to calculate each Service Charge, which shall be one or more of the following:

(a) Not Used;

(b) **"Volume Based"** pricing, in which case the provisions of Paragraph 6 shall apply; or

(c) "**Fixed Price**" in which case the provisions of Paragraph 4 shall apply.

2 NOT USED

3 NOT USED

4 FIXED PRICE SERVICE CHARGES

4.1 Where Table 2 of Annex 2 indicates that a Service Charge is to be calculated by reference to a Fixed Price pricing mechanism, the relevant Charge shall be the amount set out against that Charge in Tables 6 and 7 of Annex 1.

4.2 Charges calculated by reference to a Fixed Price pricing mechanism shall be subject to increase by way of Indexation.

5 FIRM PRICE MILESTONE PAYMENTS

5.1 Where Table 1 of Annex 2 indicates that a Milestone Payment is to be calculated by reference to a Firm Price pricing mechanism, the relevant Charge shall be the amount set out against that Charge in Table 2 of Annex 1.

5.2 Charges calculated by reference to a Firm Price pricing mechanism shall not be subject to increase by way of Indexation.

6 VOLUME BASED SERVICE CHARGES

6.1 Where Table 2 of Annex 2 indicates that a Service Charge is to be calculated by reference to a Volume Based pricing mechanism, the relevant Charges shall be calculated on the basis set out Annex 7.

6.2 In the event that the volume of any Services that are to be calculated by reference to a Volume Based pricing mechanism fall outside the relevant volume bands set out in Annex 7, the relevant Service Charges shall be calculated in accordance with the Change Control Procedure and Paragraph 4 of Part C.

7 NOT USED

PART B: CHARGING MECHANISMS

1 MILESTONE PAYMENTS

1.1 Subject to the provisions of Paragraph 1.3 of Part C in relation to the deduction of Delay Payments, on the Achievement of a Milestone the Supplier shall be entitled to invoice the Authority for the Milestone Payment associated with that Milestone less the applicable Milestone Retention in accordance with this Part B.

1.2 Each invoice relating to a Milestone Payment shall be supported by a Milestone Achievement Certificate.

1.3 The "**Milestone Retention**" for each Milestone shall be 10% of the Milestone Payment for that Milestone and, in the case of a Key Milestone, prior to deduction from the Milestone Payment of any Delay Payment attributable to that Key Milestone and without taking account of any amount payable by the Supplier pursuant to Paragraph 1.3 of Part C.

Release of Milestone Retentions

1.4 On Achievement of a CPP Milestone relating to the Supplier Solution or one or more Services (as the case may be), the Supplier shall be entitled to invoice the Authority for an amount equal to all Milestone Retentions that relate to Milestones identified in the *"CPP Milestone Charge Number"* column of Table 1 (or, in relation to Milestone Retentions in respect of Optional Services, Table 4) of Annex 2 and corresponding CPP Milestone Charge Number identified in Table 2 of Annex 4 of Schedule 6.2 (*Testing Procedures*) as being payable in respect of that CPP Milestone and have not been paid before such CPP Milestone.

2 SERVICE CHARGES

2.1 Service Charges consist of the Base Charges and the Outcome Charges. Each Service to which Service Charges relate shall commence on the Achievement of the Milestone set out against that Service in the "*Service Charge Trigger Event*" column of Table 2 of Annex 2.

2.2 Base Charges shall be invoiced by the Supplier for each Service Period in arrear in accordance with the requirements of Part E.

2.3 If a Base Charge is to be calculated by reference to a Fixed Price pricing mechanism and the relevant 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 Base Charge for the relevant Service Period shall be pro-rated based on the proportion which the number of days in the month for which the Service is provided bears to the total number of days in that month.

2.4 Any Service Credits that accrue during a Service Period shall be deducted from the Base Charges payable for the next following Service Period. An

invoice for a Service Charge shall not be payable by the Authority unless all adjustments (including Service Credits) relating to the Service Charges for the immediately preceding Service Period have been agreed.

2.5 The percentage amount of the Outcome Charges due to the Supplier in respect of each Outcome Year is calculated in accordance with the provisions of Schedule 2.2 (Performance Levels) and applied to the amounts set out in Table 7 of Annex 1 to this Schedule. Once agreed in accordance with those provisions, the Outcome Charges due in respect of each Outcome Year shall be invoiced by the Supplier in arrear in accordance with the requirements of Part E.

2.6 Where the final Outcome Year of the Agreement is less than 12 months the Outcome Charges due shall be calculated on a pro rate basis.

3 OPTIONAL SERVICES

3.1 If the Authority gives notice pursuant to Clause 5.10 (*Optional Services*) that it requires the Supplier to provide any or all of the Optional Services:

(a) the Milestone Payments (if any) for the relevant Optional Services shall be calculated by reference to the pricing mechanism for those Optional Services set out in Table 3 of Annex 2; and

(b) the Service Charges for the relevant Optional Services shall be calculated by reference to the pricing mechanism for those Optional Services set out in Table 4 of Annex 2,

in both cases using the relevant rates and prices specified in Annex 1.

4 ADDITIONAL SERVICES

4.1 If the Authority requires the provision of Additional Services pursuant to Clause 5.18 (*Additional Services*) these shall be free of any charge up to the Allowable Resource Days. The Supplier shall notify the Authority promptly in writing as to the number of Work Days to be expended in relation to each request for Additional Services and when the Allowable Resource Days have been used by the Authority.

4.2 When all Allowable Resource Days for any Contract Year have been used by the Authority and where any further Additional Services are requested by the Authority in that Contract Year, in accordance with Clause 5.18 (*Additional Services*):

4.2.1 the Parties may agree that the nature of the Additional Services can be scoped into a defined project, with a clearly defined start date, end date and scope of work. In this case the Supplier shall provide the Authority with a Firm Price quotation, compliant with the approach set out in Paragraph 4 of Part C, for such Additional Services. As soon as reasonably practicable following receipt of such Firm Price quotation, the Parties shall meet to agree the applicable Charges and any other relevant details including but not limited to any milestones or other suitable payment arrangements;

4.2.2 if any such Additional Services cannot be scoped into a defined project, with a clearly defined start date, end date and scope of work, or the Parties do not reach agreement in accordance with Paragraph 4.2.1 of Part B, such Additional Services shall be dealt with as follows:

4.2.3 where any related package of Additional Services requires more than five (5) Work Days the relevant Additional Services and the applicable Charges shall be agreed in accordance with the Change Control Procedure; or

4.2.4 where any related package of Additional Services requires five (5) or less Work Days, the applicable Service Charge shall be calculated by reference to the day rates set out in Table 1 of Annex 1 and the principles specified under Paragraph 5 of this Part B.

4.3 Subject to a maximum of forty (40) Allowable Resource Days being allowed to accumulate at any given time, any Allowable Resource Days which are unused at the expiry of any Contract Year shall be rolled over to the following Contract Year and such unused Allowable Resource Days shall aggregate on a Contract Year on Contract Year basis. If at the expiry or termination of this Agreement there are any unused Allowable Resource Days outstanding, the Supplier shall credit the Authority with an amount equivalent to the number of unused Allowable Resource Days within thirty (30) days of the date of expiry or the date of any Termination Notice (as applicable) multiplied by the blended day rate set out in cell D48, worksheet 13 (rate card rates) of the Financial Model.

4.4 The Authority may require Supporting Documentation to be provided by the Supplier in respect of any aspect of this Paragraph 4.

5 DAY RATES

5.1 Where the day rates set out in Table 1 of Annex 1 are used to calculate the Charges the Supplier (or its Sub-contractor) shall:

5.1.1 not be entitled to include any uplift for risks or contingencies within its day rates;

5.1.2 only be entitled to be paid Charges, for any Contract Change which is agreed by the Parties in accordance with the Change Control Procedure, that have been properly and reasonably incurred, taking into account the Supplier's obligation to deliver the Services in a proportionate and efficient manner; and

5.1.3 the Supplier shall keep records of hours properly worked by Supplier Personnel (in the form of timesheets) and expenses incurred and submit a summary of the relevant records with each invoice. If the Authority requests copies of such records, the Supplier shall make them available to the Authority within 10 Working Days of the Authority's request.

5.2 The Supplier shall be entitled to Index the rates set out in Table 1 of Annex 1 in accordance with Paragraph 5 of Part C.

PART C: ADJUSTMENTS TO THE CHARGES AND RISK REGISTER

1 DELAY PAYMENTS

1.1 If a Key Milestone has not been Achieved on or before the relevant Milestone Date, the Supplier shall pay a Delay Payment to the Authority in respect of that Key Milestone. Delay Payments shall accrue:

(a) at the daily rate (the "**Delay Payment Rate**") determined in accordance with Table 1 of Annex 2 for the Key Milestone;

(b) from (but excluding) the relevant Milestone Date to (and including) the earlier of:

(i) the date on which the Key Milestone is Achieved; and

(ii) the expiry of the Delay Deduction Period; and

(c) on a daily basis, with any part day's Delay counting as a day.

1.2 Not used.

1.3 Not used.

1.4 Not used.

1.5 The Parties agree that Delay Payments calculated in accordance with the applicable Delay Payment Rates are in each case a genuine 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. Delay Payment Rates are stated exclusive of VAT.

1.6 The Delay Payment in respect of a Key Milestone shall be shown as a deduction from the amount due from the Authority to the Supplier in the next invoice due to be issued by the Supplier after the date on which the relevant Key Milestone is Achieved or the expiry of the Delay Deduction Period (as the case may be). If the relevant Key Milestone is not Achieved by the expiry of the Delay Deduction Period and no invoice is due to be issued by the Supplier within 10 Working Days of expiry of the Delay Deduction Period, then the Supplier shall within 10 Working Days of expiry of the Delay Deduction Period:

(a) issue a credit note to the Authority in respect of the total amount of the Delay Payment in respect of the Key Milestone; and

(b) pay to the Authority as a debt a sum equal to the total amount of the Delay Payment in respect of the Key Milestone together with interest on such amount at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a daily basis from (and including) the due date up to (but excluding) the date of actual payment, whether before or after judgment.

2 PAYMENTS FOR DELAYS DUE TO AUTHORITY CAUSE

2.1 If the Supplier is entitled in accordance with Clause 32.1(iii)(D) (*Authority Cause*) to compensation for failure to Achieve a Milestone by its Milestone Date, then, subject always to Clause 26 (*Limitations on Liability*), such compensation shall be determined in accordance with the following principles:

(a) the compensation shall reimburse the Supplier for additional Costs incurred by the Supplier that the Supplier:

(i) can demonstrate it has incurred solely and directly as a result of the Authority Cause; and

(ii) is, has been, or will be unable to mitigate, having complied with its obligations under Clause 32.1 (*Authority Cause*)

together with an amount equal to the Anticipated Contract Life Profit Margin thereon;

(b) the compensation shall not operate so as to put the Supplier in a better position than it would have been in but for the occurrence of the Authority Cause;

(c) where the relevant Milestone Payment is to be calculated based upon a Firm Price pricing mechanism, the compensation shall include such amount as is appropriate to maintain the Supplier Profit Margin set out in respect of the relevant Milestone in Table 5 or Table 6 of Annex 1; and

(d) where the Milestone Payment includes any Charges which are capped, then to the extent that the compensation agreed pursuant to this Paragraph 2 results in the Authority paying additional Charges calculated on a day rate basis for resources or effort which the Supplier demonstrates are required as a result of the Authority Cause, such additional Charges calculated on day rate basis shall be disregarded for the purposes of calculating the relevant cap.

2.2 The Supplier shall provide the Authority with any information the Authority may require in order to assess the validity of the Supplier's claim to compensation.

3 SERVICE CREDITS

3.1 Service Credits shall be calculated using the methodology referenced in Paragraph 7 (Service Credits) of Part A of Schedule 2.2 (*Performance Levels*).

3.2 For each Service Period the Service Points accrued shall be converted to a deduction from the Base Charges for the relevant Service Period in accordance with the methodology in the Table below. The Table shall be used to calculate a monetary amount that shall be deducted from the applicable Base Charges. The liability of the Supplier in respect of Service Credits shall be subject to Clause 26.4(c) (*Financial and other 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*).

Aggregate Service Points	Service Credit Payable (as % of monthly Notional Total Service Charges) Outcome Year 1	Service Credit Payable (as % of monthly Notional Total Service Charges) Outcome Year 2	Service Credit Payable (as % of monthly Notional Total Service Charges) Outcome Year 3 Onwards
Less than 115	0.24	0.23	0.22
115 - 204	1.0	0.93	0.85
205 - 259	1.5	1.39	1.28
260 - 334	2.0	1.85	1.72
335 - 449	3.0	2.79	2.57
450 - 554	4.0	3.71	3.43
555 - 644	5.0	4.64	4.28
645 - 724	6.0	5.57	5.15
725 or greater	7%	6.5%	6%

3.3 Service Credits are a reduction of the Base Charges payable in respect of the relevant Services to reflect the reduced value of the Services actually received and are stated exclusive of VAT.

3.4 Service Credits shall be shown as a deduction from the amount due from the Authority to the Supplier in the invoice for the Service Period immediately succeeding the Service Period to which they relate.

4 CHANGES TO CHARGES

4.1 Any Changes to the Charges shall be developed and agreed by the Parties in accordance with Schedule 8.2 (*Change Control Procedure*) and on the basis that the Supplier Profit Margin on such Charges shall:

(a) be no greater than that applying to Charges using the same pricing mechanism as at the Effective Date (as set out in the Contract Inception Report); and

(b) in no event exceed the Maximum Permitted Profit Margin.

4.2 The Authority may request that any Impact Assessment presents Charges without Indexation for the purposes of comparison.

5 INDEXATION

5.1 Any amounts or sums in this Agreement which are expressed to be "subject to Indexation" shall be adjusted in accordance with the provisions of this Paragraph 5 to reflect the effects of inflation.

5.2 Where Indexation applies, the relevant adjustment shall be:

(a) applied on the first day of the second October following the Effective Date and on the first day of October in each subsequent year (each such date an "**adjustment date**"); and

(b) determined by multiplying the relevant amount or sum by the percentage increase or changes in the Consumer Price Index published for the 12 months ended on the 31 January immediately preceding the relevant adjustment date.

5.3 Except as set out in this Paragraph 5, neither the Charges nor any other costs, expenses, fees or charges shall be adjusted to take account of any inflation, change to exchange rate, change to interest rate or any other factor or element which might otherwise increase the cost to the Supplier or Sub-contractors of the performance of their obligations.

6 ALLOWABLE ASSUMPTIONS

6.1 The Supplier shall determine whether each Allowable Assumption is accurate within its Verification Period.

6.2 During each Verification Period, the Authority shall provide the Supplier with reasonable assistance and access to information within its possession or reasonable control and which the Authority deems is relevant to the Allowable Assumption being verified.

6.3 Within 10 Working Days of 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, including whether the Allowable Assumption is accurate or whether the Implementation Plan and/or the Contract Inception Report require adjustment.

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

(a) on the Financial Model greater than the associated trigger for invocation, as set out in column 9 of the table in Annex 5; or

(b) on the Implementation Plan which would require adjustment under the Change Control Procedure, as identified in column 3 of the table in Annex 5,

in which case Paragraph 6.5 shall apply.

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

(a) the Supplier shall take all reasonable steps to mitigate the impact of the Allowable Assumption on the Financial Model and/or the Implementation Plan;

(b) the Supplier may (subject to Paragraph 6.5(c)) propose a Change to take account of the impact of the adjustment of the Allowable Assumption and such Change Request shall be considered in accordance with the Change Control Procedure; and

(c) where the Supplier proposes a Change to the Charges under Paragraph 6.5(b), the Change Request shall reflect the requirements of the table in Annex 5, including the requirement that any proposed adjustment to the Charges shall not exceed the maximum impact on the relevant Charges as specified in column 7 of the table in Annex 5.

7 RISK REGISTER

7.1 The Parties shall review the Risk Register set out in Annex 4 from time to time and as otherwise required for the purposes of Schedule 8 (*Governance*).

7.2 In the event of a risk detailed in the Risk Register materialising, the Supplier shall promptly notify the Authority and shall provide full details, with Open Book Data, of the actual costs (without double recovery) resulting from such risk materialising, which shall in any event not exceed the Forecast Contingency Costs for such risk.

7.3 Subject to the Authority being satisfied, acting reasonably, that such risk has materialised and that the costs detailed by the Supplier are reasonable, the Authority shall at its discretion determine whether a single payment shall be made by the Authority in respect of such costs or an adjustment shall be made to the Charges on an ongoing basis.

PART D: EXCESSIVE SUPPLIER PROFIT MARGIN

1 LIMIT ON SUPPLIER PROFIT MARGIN

1.1 The Supplier acknowledges that the Achieved Profit Margin applicable over the Term shall not exceed the Maximum Permitted Profit Margin.

1.2 The Supplier shall include in each Annual Contract Report the Achieved Profit Margin as at the end of the Contract Year to which the Annual Contract 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 Contract Report.

1.3 Following approval of each Annual Report the Supplier shall forthwith issue a Certificate of Costs with Supporting Documentation in respect of the Achieved Profit Margin as at the end of the applicable Contract Year.

2 ADJUSTMENT TO THE CHARGES IN THE EVENT OF EXCESS SUPPLIER PROFIT

2.1 If an Annual Contract Report demonstrates (or it is otherwise determined pursuant to Paragraph 2 of Part B of Schedule 7.5 (*Financial Reports and Audit Rights*)) that the Achieved Profit Margin as at the end of the Contract Year to which the Annual Contract Report is made up exceeds the Maximum Permitted Profit Margin:

(a) the Supplier shall, within 5 Working Days of delivery to the Authority of the Annual Contract Report, propose such adjustments to the Charges as will ensure that the Achieved Profit Margin both over the Contract Year to which the next Annual Contract Report will relate and over the Term will not exceed the Maximum Permitted Profit Margin;

(b) the Authority (acting reasonably) may agree or reject the proposed adjustments;

(c) if the Authority rejects the proposed adjustments it shall give reasons and the Supplier shall propose revised adjustments within 10 Working Days of receiving those reasons; and

(d) if the Parties cannot agree such revised adjustments and the Authority terminates this Agreement by issuing a Termination Notice to the Supplier pursuant to Clause 34.1(a) (*Termination by the Authority*), then for the purpose of calculating any Compensation Payment due to the Supplier, the Termination Notice shall be deemed to have been served as at the date of receipt by the Authority of the relevant Annual Contract Report.

2.2 Pending agreement of a proposed adjustment to the Charges pursuant to this Part D, the Charges then in force shall continue to apply. Once the adjustments to the Charges are agreed in accordance with Paragraph 2.1, the Parties shall document the adjustment in a Change Authorisation Note and the adjusted Charges shall apply with effect from the first day of the Service

Period that immediately follows the Service Period in which the Change Authorisation Note is executed or such other date as is specified in the Change Authorisation Note.

PART E: INVOICING AND PAYMENT TERMS

1 SUPPLIER INVOICES

1.1 The Authority shall accept for processing any electronic invoice that complies with the European Standard, provided that it is valid and undisputed.

1.2 If the Supplier proposes to submit for payment an invoice that does not comply with the European Standard the Supplier shall:

(a) comply with the requirements of the Authority's e-invoicing system;

(b) prepare and provide to the Authority for approval of the format a template invoice within 25 Working Days of the Effective Date which shall include, as a minimum the details set out in Paragraph 1.3 together with such other information as the Authority may reasonably require to assess whether the Charges that will be detailed therein are properly payable; and

(c) make such amendments as may be reasonably required by the Authority if the template invoice outlined in (b) is not approved by the Authority.

1.3 The Supplier shall ensure that each invoice is submitted in the correct format for the Authority's e-invoicing system, or that it contains the following information:

(a) the date of the invoice;

(b) a unique invoice number;

(c) the Service Period or other period(s) to which the relevant Charge(s) relate;

(d) the correct reference for this Agreement;

(e) the reference number of the purchase order to which it relates (if any);

(f) the dates between which the Services subject of each of the Charges detailed on the invoice were performed;

(g) a description of the Services;

(h) the pricing mechanism used to calculate the Charges (such as Firm Price, Fixed Price and/or day rate basis);

(i) any payments due in respect of Achievement of a Milestone, including the Milestone Achievement Certificate number for each relevant Milestone;

(j) the total Charges gross and net of any applicable deductions broken down as to Milestone Payments, Base Charges, Outcome Charges and any other applicable Charges due and, separately, any VAT or other sales tax payable in respect of each of the same;

(k) details of any Service Credits or Delay Payments or similar deductions that shall apply to the Charges detailed on the invoice;

(l) reference to any reports required by the Authority in respect of the Services to which the Charges detailed on 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);

(m) a contact name and telephone number of a responsible person in the Supplier's finance department in the event of administrative queries;

(n) 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); and

(o) where the Services have been structured into separate Service lines, the information at (a) to (n) of this paragraph 1.3 shall be broken down in each invoice per Service line.

1.4 The Supplier shall invoice the Authority in respect of Services in accordance with the requirements of Part B. The Supplier shall first submit to the Authority a draft invoice setting out the Charges payable. The Parties shall endeavour to agree the draft invoice within 5 Working Days of its receipt by the Authority, following which the Supplier shall be entitled to submit its invoice.

1.5 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.

1.6 The Supplier shall submit all invoices and Supporting Documentation electronically by email to [Redacted]. To request a statement, please email [Redacted]. 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.

1.7 All Supplier invoices shall be expressed in sterling or such other currency as shall be permitted by the Authority in writing.

1.8 The Authority shall regard an invoice as valid only if it complies with the provisions of this Part E. Where any invoice does not conform to the Authority's requirements set out in this Part E, the Authority shall promptly return the disputed invoice to the Supplier and the Supplier shall promptly issue a replacement invoice which shall comply with such requirements.

1.9 If the Authority fails to consider and verify an invoice in accordance with paragraphs 1.4 and 1.8, the invoice shall be regarded as valid and undisputed for the purpose of paragraph 2.1 after a reasonable time has passed.

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 verifying that the invoice is valid and undisputed.

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

ANNEX 1: PRICING MECHANISM

1. TABLE 1: SUPPLIER PERSONNEL RATE CARD FOR CALCULATION OF CHARGES ON A DAY RATE BASIS (FIXED PRICE)

The rates identified in worksheet 13 (rate card rates) of the Financial Model.

Staff role	Day Rate (£)
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]

[Redacted]	[Redacted]

2. TABLE 2: MILESTONES WITH LINKED MILESTONE PAYMENTS (FIRM PRICE) - POPULATED BASED ON THE INFORMATION SHOWN IN SECTION 'MILESTONE PAYMENTS' OF WORKSHEET 9 (TRANSITION AND TRANSFORMATION) FROM THE FINANCIAL MODEL

Milestone Number	Milestone Payment (£)
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]
[Redacted]	[Redacted]

3 **TABLE 3: NOT USED**

4 **TABLE 4: NOT USED**

5 TABLE 5: NOTIONAL TOTAL SERVICE CHARGE,

The amounts set out in the cells identified in the table below of worksheet 17 (cost breakdown by year) of the Financial Model are not payable by the Authority but are used to calculate the Service Credit Cap and Outcome Charges. The monthly Notional Total Service Charge is a sum equal to one twelfth (1/12) of the Notional Total Service Charge for the relevant Outcome Year.

Year	Notional Total Service Charge (£)
Outcome Year 1	[Redacted]
Outcome Year 2	[Redacted]
Outcome Year 3	[Redacted]
Outcome Year 4	[Redacted]
Outcome Year 5	[Redacted]
Outcome Year 6	[Redacted]
Outcome Year 7	[Redacted]
Outcome Year 8	[Redacted]
Outcome Year 9	[Redacted]
Outcome Year 10	[Redacted]

6 TABLE 6: SERVICE CHARGE, BASE CHARGES

The amount to be invoiced in each Service Period will be a sum equal to one twelfth (1/12) of the Base Charge for the relevant Outcome Year. Indexation shall only apply to the Staff and Accommodation Costs (Fixed Price) contained within the Base Charges. Indexation shall not apply to the Non-Staff/Accommodation Costs (Firm Price) within the Base Charges.

Year	**Base Charge (£)**
Outcome Year 1	[Redacted]
Outcome Year 2	[Redacted]
Outcome Year 3	[Redacted]
Outcome Year 4	[Redacted]
Outcome Year 5	[Redacted]
Outcome Year 6	[Redacted]
Outcome Year 7	[Redacted]
Outcome Year 8	[Redacted]
Outcome Year 9	[Redacted]
Outcome Year 10	[Redacted]

7 TABLE 7: SERVICE CHARGE, OUTCOME CHARGES

Table 7A: Expressed as a percentage of the Notional Total Service Charge

Ref	Outcome	Outcome Charges (Expressed as a percentage of the Notional Total Service Charges in worksheet 17 (cost breakdown by year) of the Financial Model (as referenced in Table 5))		
		Outcome Year 1	Outcome Year 2	Outcome Year 3 Onwards
1	Not used	N/A	N/A	N/A
2	Members understand the value of their pension	0.4125	0.45375	0.495
3	Members are actively planning for their retirement	0.4125	0.45375	0.495
4	Not Used	N/A	N/A	N/A
5	Members regularly receive information about their pension and are satisfied with the quality	0.4	0.44	0.48
6	Members who contact Teachers' Pension Scheme about their pension are satisfied with the timeliness and quality of the response	0.4	0.44	0.48
7	Recently retired members are satisfied with the support they received from Teachers' Pension Scheme as they planned for their retirement	0.1875	0.20625	0.225
8	Not Used	N/A	N/A	N/A
9	Employers are satisfied with the service that they	0.46875	0.515625	0.5625

	receive from the Teachers' Pension Scheme			
10	Employers receive timely and accurate responses from the Teachers' Pension Scheme	0.46875	0.515625	0.5625
11	Employers engage with the Teachers' Pension Scheme	0.375	0.4125	0.45
12	The Quality of new and legacy data is assured	0.225	0.2475	0.27
13	The Spring Supplementary income/expenditure exercise is completed on time and the accuracy of the exercise is within the agreed target ranges.	0.15	0.165	0.18
14	The Percentage of Active and Pensioner member with an MPO account	0.61875	0.680625	0.7425
15	The percentage of all transactions that can be made through a digital channel, that are made through a digital channel.	0.61875	0.680625	0.7425
16	Demonstration of Partnership Working - Authority to score.	0.2625	0.28875	0.315
Total (expressed as a percentage of the Notional Total Service Charges in worksheet 17 (cost breakdown by year) of the Financial Model (as referenced in Table 5):		**5%**	**5.5%**	**6%**

Table 7B: Expressed as a value

Indexation shall only apply to the Staff and Accommodation Costs (Fixed Price) contained within the Outcome Charges. Indexation shall not apply to the Non-Staff/Accommodation Costs (Firm Price) within the Outcome Charges.

Year	Outcome Charges Expressed as a value(£)
Outcome Year 1	[Redacted]
Outcome Year 2	[Redacted]
Outcome Year 3	[Redacted]
Outcome Year 4	[Redacted]
Outcome Year 5	[Redacted]
Outcome Year 6	[Redacted]
Outcome Year 7	[Redacted]
Outcome Year 8	[Redacted]
Outcome Year 9	[Redacted]
Outcome Year 10	[Redacted]

8 WORKED EXAMPLE OF SERVICE CHARGE CALCULATION:*

	Outcome Year 1	Outcome Year 2	Outcome Year 3
Notional Total Service Charge	£10,000,000	£10,000,000	£10,000,000
Base Charge	£9,500,000	£9,450,000	£9,400,000
Outcome Charge	£500,000	£550,000	£600,000
Outcome Percentage Achieved	100%	0%	50%
Service Charge	£10,000,000	£9,450,000	£9,700,000

* Examples calculated based on the assumption no Service Credits accrued.

ANNEX 2: CHARGING MECHANISM AND ADJUSTMENTS

1 TABLE 1: MILESTONE PAYMENTS AND DELAY PAYMENTS

Milestone	Pricing Mechanism (FIX / FIRM / GMPTC / T&M)	Delay Payments (if Key Milestone) (£ per day)*		
		<1 months' delay	1-2 months' delay	>2 months' delay
Service Line 1				
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

*The daily Delay Payment will be calculated by reference to the month of delay in which the relevant day falls. By way of example, in the case of a three (3) month delay the Delay Payment for every day in each month would be as follows: month one [Redacted]; month two [Redacted]; and month three [Redacted] (and in month three not [Redacted]+ [Redacted]+ [Redacted]).

2 TABLE 2: SERVICE CHARGES

Charge Number	Pricing Mechanism (VOL / FIX)	Service Charge Trigger Event	Service Charge Expiration Trigger Event
Service Line 1			
Base Charges	FIXED in respect of Staff and Accommodation Costs only. Firm in respect of all other Costs	Achievement of the following Milestone: 15 (Operational service commencement)	
Outcome Charges	FIXED in respect of Staff and Accommodation Costs only Firm in respect of all other Costs	Achievement of applicable Outcome(s)	N/A

3 TABLE 3: NOT USED

4 TABLE 4: NOT USED

ANNEX 3: PRO-FORMA CERTIFICATE OF COSTS

I [***name of CFO or Director of Finance or equivalent as agreed in advance in writing with the Authority***] of [***insert name of Supplier***], certify that the financial information provided as part of this Certificate of Costs, incurred in relation to the [***insert name/reference for the Agreement***] (the "**Agreement**") in relation to the calculation of the Achieved Profit Margin as at the end of the Contract Year to which the Annual Contract Report is made up:

1. has been reasonably and properly incurred in accordance with [*name of Supplier*]'s books, accounts, other documents and records;

2. is accurate and not misleading in all key respects; and

3. is in conformity with the Agreement and with all generally accepted accounting principles within the United Kingdom.

Signed [***CFO or Director of Finance or equivalent***]

[***Name of Supplier***]

ANNEX 4: RISK REGISTER

ANNEX 5: ALLOWABLE ASSUMPTIONS

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11
Ref	Description of proposed Allowable Assumption	Impact on the Implementation Plan if the Allowable Assumption is not accurate	Cost Impact (maximum, minimum and most likely values if the Allowable Assumption is not accurate)	Basis of Calculation of Cost Impact	Applicable Profit Margin	Charge Impact (maximum, minimum and most likely values if the Allowable Assumption is not accurate)	Verification Method (how the Supplier will verify the Allowable Assumption)	Trigger for Invocation (what will determine that the Implementation Plan and/or Financial Model may require adjustment for the Allowable Assumption)	Period of Impact (period that the updated assumption will have an impact)	Expiry Date (Date at which the Allowable Assumption expires)
AA1	Work in progress (i.e. the number of operational transactions to be processed) will be maintained within relevant SLAs and KPIs	Impact on BAU Operations and Infrastructure	Will be determined based on the magnitude of the excess work in progress on the Operational Services Commencement Date, as	Rate card x excess volume of WiP activity		Will be determined based on the magnitude of variance in accordance with the Change	Based on an Impact Assessment detailing the actual volumes received and demonstrated to the reasonable satisfaction	Based on the actual volumes received	Operational Services Commencement Date	3 months following the Operational Services Commencement Date

	prior to the Operational Services Commencement Date.		demonstrated by the Supplier to the Authority.			Control Procedure	of the Authority following production of such evidence as the Authority may reasonably require			
AA2	Data Quality Data will be provided by the Exiting Supplier in accordance with Pension Regulator Standard at a level of >95% accuracy across all member and scheme data.	Impact on BAU Automation and Digital adoption rates	Will be determined based on the magnitude of variance below 95%	Parties to agree relaxation of SLAs for a period of time to be agreed by the Parties, acting reasonably, with any additional cost agreed using Open Book Data.		Will be determined based on the magnitude of variance in accordance with the Change Control Procedure	Based on an Impact Assessment detailing the actual quality of data and demonstrated to the reasonable satisfaction of the Authority following production of such evidence as the Authority may reasonably require	Based on the variation in actual data quality	Effective Date	One month prior to the Operational Services Commencement Date

ANNEX 6: CONTRACT INCEPTION REPORT

[Redacted]

ANNEX 7: VOLUME BASED CHARGING MECHANISM

1 MEMBERS

1.1 For the purposes of calculating:

1.1.1 the Aggregate Member Number set out in Paragraph 1.3 below: and

1.1.2 the FTE/Member Ratio in Paragraph 2.2 below,

the Supplier shall in the Contract Inception Report include the number of Members forecasted by the Authority for each Outcome Year during the Initial Term ("the Forecast Member Numbers").

1.2 On the Operational Services Commencement Date and each anniversary thereof, the Supplier shall provide to the Authority details of the number of Members at that Operational Services Commencement Date for agreement by the Authority. The number of Members agreed by the Parties shall be deemed to be the actual number of Members at the Operational Services Commencement Date or that anniversary of the Operational Services Commencement Date (**"the Actual Member Number"**).

1.3 For the purposes of this Annex 7 only, the number of Members for the Outcome Year immediately following the Operational Services Commencement Date or any anniversary thereof (**"the Aggregate Member Number"**) shall be the greater of:

1.3.1 the Actual Member Number for that Outcome Year, or

1.3.2 the Forecast Member Number for that Outcome Year.

2 FULL TIME EQUIVALENTS ("FTEs") AND NOTIONAL FULL TIME EQUIVALENTS ("NOTIONAL FTEs")

2.1 The Supplier shall in the Contract Inception Report indicate the number of FTEs required in relation to the Forecast Member Number of Members at the Operational Services Commencement Date (**"the Baseline FTEs"**). For the purposes of this Annex 7, FTEs shall include Pension Administrators, Senior Pension Administrators and Deputy Assistant Managers only as reflected in Worksheet 10 BAU Rows 107-109 inclusive of the Contract Inception Report.

2.2 The ratio (**"FTE/Member Ratio"**) of Notional FTEs required in relation to the Aggregate Member Number for each Outcome Year shall be calculated by dividing the number of actual Members at the Operational Services Commencement Date by the FTEs shown in the Contract Inception Report.

3 VARIATIONS TO CHARGES

In the event that the Actual Member Number at an anniversary of the Operational Services Commencement Date varies by +/- 5% from the Aggregate Member Number for that Outcome Year ("Member Number Variation"), the provisions of this Paragraph 3.1 of this Annex 7 shall apply:

3.1.1 the Supplier shall forward to the Authority a statement indicating the number of additional or reduced Notional FTEs required (as the case may be) for the immediately following Outcome Year which shall be calculated by dividing the Actual Member Number at that Operational Services Commencement Date by the FTE/Member Ratio;

3.1.2 where the Member Number Variation is an increase of 5% or greater (**"Increased Member Number Variation"**):

(a) the Supplier shall forward to the Authority, with Open Book Data, full details of the cost of the additional Notional FTEs (**"Additional Notional FTE Cost"**) which shall be calculated by deducting:

(i) on the first anniversary of the Operational Services Commencement Date, the Baseline FTEs;

(ii) on subsequent anniversaries of the Operational Services Commencement Date, the number of Notional FTEs at the immediately preceding Operational Services Commencement Date

from the number of Notional FTEs calculated in accordance with Paragraph 3.1.1 above and multiplying the resultant figure by the average salary of the FTEs. For the avoidance of doubt, the number of Notional FTEs required for an Increased Member Number Variation up to 5% shall not be double counted in the calculation set out in this Paragraph 3.1.2;

(b) the Supplier shall be liable for 50% of the Additional Notional FTE Cost which relates to an Increased Member Number Variation up to 5% and there will be no increase in the Charges in respect of this amount;

(c) the Authority shall be liable for 50% of the Additional Notional FTE Cost which relates to an Increased Member Number Variation up to 5% and 100% of the Additional Notional FTE Cost which relates to an Increased Member Number Variation greater than 5% and the Charges shall be varied in accordance with Paragraph 3.2 below;

3.1.3 where the Member Number Variation is a reduction of 5% or greater (**"Reduced Member Number Variation"**):

(a) the Supplier shall forward to the Authority, with Open Book Data, full details of the savings as a result of the reduced Notional FTEs (**"Saved Notional FTE Cost"**) which shall be calculated by deducting the Notional FTEs calculated in accordance with Paragraph 3.1.1 above from:

(i) on the first anniversary of the Operational Services Commencement Date, the Baseline FTEs;

(ii) on subsequent anniversaries of the Operational Services Commencement Date, the number of Notional FTEs at the immediately preceding Operational Services Commencement Date

and multiplying the resultant figure by the average salary of the FTEs. For the avoidance of doubt, the number of Notional FTEs required for a Reduced Member Number Variation up to 5% shall not be double counted in the calculation set out in this Paragraph 3.1.3;

(b) the Supplier shall be entitled to retain 50% of the Saved Notional FTE Cost which relates to a Reduced Member Number Variation up to 5%;

(c) the Authority shall be entitled to 50% of the Saved Notional FTE Cost which relates to a Reduced Member Number Variation up to 5% and 100% of the Saved Notional FTE Cost which relates to a Reduced Member Number Variation greater than 5% and the Charges shall be reduced in accordance with Paragraph 3.2 below.

3.2 Any variation to the Charges (whether by way of increase or reduction, as the case may be) as a result of the operation of the provisions of this Annex 7 shall be implemented from, and if necessary backdated to, the commencement of the Outcome Year to which they apply and which, for the avoidance of doubt, shall the Outcome Year in which the calculation in this Annex 7 is undertaken.

4 FORMAL REVIEW

4.1 At least 3 months prior to the fourth and eight anniversaries of the Operational Services Commencement Date, the Parties shall review the operation of the provisions of this Annex 7 and shall, acting in good faith and acting reasonably, consider whether any amendments are required as a result, without limitation, of digital solution maturity, the prevalence of straight through processing and the relevant continuous improvement plans to be undertaken by the Supplier.

4.2 In the event that the Parties do not, acting reasonably, agree any amendments pursuant to Paragraph 4.1 above, the provisions of this Annex 7 shall continue either until the next review date or until the end of the Term, as the case may be.

WORKED EXAMPLE OF ANNEX 7

BASELINE 1 (SERVICE COMMENCEMENT AND THEN AT END OF YEAR 1 - THRESHOLD BREACHED		
Contract Year	1	
	Total	
Forecast Member Numbers	2260563	The Higher of Procurement Forecast Numbers or Service Commencement defined Member numbers
The Baseline FTEs	**100**	FTE's will be defined as "inscope"
FTE/Member Ratio	**22605.63**	
	Total	
The Actual Member Number	2550000	
Member Number Variation	289437	
Tolerance %age	5%	
Tolerance level (-)	2147308	
Tolerance level (+)	2373818	
Has tolerance level been breached?	Yes	
excess members	**176182.3**	Member numbers above the defined Tolerance Level
Additional notional FTE based on excess members	**7.75**	FTE calculated on Excess members Above the Tolerence (2,550,000 - 2,373,818 = 176,182)
Upper/Lower Threshold Member Volume	**113254.7**	Difference between number of members at service commencement and upper tolerance level (2,373,818 - 2,260,563 = 113,255)
Additional Notional FTE based on tolerance	**5**	Total additional number of FTE to restore defined tolerance (5%)
Supplier liable 50% of Additional Notional FTE Cost	**2.5**	
Authority liable 50% of Additional Notional FTE Cost	**2.5**	
Additional Notional FTE	**12.75**	Total FTE increase to restore inherent Contigency and Excess Members
Impact on Cost will be calculated using additonal notional FTE multiplied by average salary of FTE's defined in Schedule 7.1 Annex 7 Clause 2.1		
Baseline for year 2 will be based on actual number of members Tolerance threshold percentages remain the same		
New Notional FTE for Year 2	**112.75**	**Updated Notional FTE for Year 2**

RE-BASELINED FROM YEAR1 AND AT END OF YEAR 2 - THRESHOLD BREACHED AGAIN

Contract Year	2	
	Total	
Aggregate Member Numbers	2550000	The Higher of new baseline End of Year 1 Members Or Procurement Forecast
The Baseline FTEs	**112.75**	FTE's will be defined as "inscope"
FTE/Member Ratio	**22616.41**	
	Total	
The Actual Member Number	2779000	
Member Number Variation	229000	
Tolerance %age	5%	
Tolerance level (-)	2418000	
Tolerance level (+)	2682000	
Has tolerance level been breached?	Yes	
excess members	**97000**	Member number above the defined Tolerance Level
Additional notional FTE based on excess members	**4.25**	FTE calculated on Excess members Above the Tolerence (2,779,000 - 2,682,000 = 97,000)
Upper/Lower Threshold Member Volume	**132000**	Total number of members at service commencement and upper tolerance level (2,682,000 - 2,550,000 = 132,000)
Additional Notional FTE based on tolerance	**5.75**	Total additional number of FTE to restore defined tolerance (5%)
Supplier liable 50% of Additional Notional FTE Cost	**2.875**	
Authority liable 50% of Additional Notional FTE Cost	**2.875**	
Additional Notional FTE	**10**	Total FTE increase to restore inherent Contigency and Excess Members
Impact on Cost will be calculated using additonal notional FTE multiplied by average salary of FTE's defined in Schedule 7.1 Annex 7 Clause 2.1		
Baseline for year 3 will be based on actual number of members Tolerance threshold percentages remain the same		
New Notional FTE for Year 3	**122.75**	Updated Notional FTE for Year 3

END OF YEAR 3 - THRESHOLD BREACHED (REDUCTION IN MEMBERS)

Contract Year	3	
	Total	
Aggregate Member Numbers	2779000	End of Year 2 Numbers
The Baseline FTEs	**122.75**	FTE's will be defined as "inscope"
FTE/Member Ratio	**22639.51**	
	Total	
The Actual Member Number	2550000	
Member Number Variation	-229000	
Tolerance %age	5%	
Tolerance level (-)	2631630	
Tolerance level (+)	2926370	
Has tolerance level been breached?	Yes	
reduction in membership below tolerance	**-81630**	Member number below the defined Tolerance Level
Saved notional FTE based on reduced members	**-3.5**	FTE calculated on Excess members Below the Tolerence (2,550,000 - 2,631,630 = -81,630)
Upper/Lower Threshold Member Volume	**-147370**	Difference between Total number of members and Lower tolerance level (2,631,630 - 2,779,000 = -147,370)
Saved Notional FTE based on tolerance	**-6.5**	Total additional Number of staff required to restore inherent contigency
Supplier liable 50% of Saved Notional FTE Cost	**-3.25**	
Authority liable 50% of Saved Notional FTE Cost	**-3.25**	
Additional Notional FTE	**-10**	Total FTE increase to restore inherent Contigency and Excess Members
Impact on Cost (Saved Notional FTE Cost) will be calculated using additonal notional FTE multiplied by average salary of FTE's defined in Schedule 7.1 Annex 7 Clause 2.1		
Baseline for year 4 will be based on actual number of members Tolerance threshold percentages remain the same		
New Notional FTE for Year 4	**112.75**	Updated Notional FTE for Year 4

SCHEDULE 7.2

FINANCIAL MATTERS - PAYMENTS ON TERMINATION

1 DEFINITIONS

1.1 In this Schedule, the following definitions shall apply:

"Applicable Supplier Personnel" any Supplier Personnel who:

a) at the Termination Date:

(i) are employees of the Supplier;

(ii) are Dedicated Supplier Personnel;

(iii) have not transferred (and are not in scope to transfer at a later date) to the Authority or the Replacement Supplier by virtue of the Employment Regulations; and

b) are dismissed or given notice of dismissal by the Supplier within:

(i) 40 Working Days of the Termination Date; or

(ii) such longer period required by Law, their employment contract (as at the Termination Date) or an applicable collective agreement; and

c) have not resigned or given notice of resignation prior to the date of their dismissal by the Supplier; and

d) the Supplier can demonstrate to the satisfaction of the Authority:

(i) are surplus to the Supplier's requirements after the Termination Date notwithstanding its obligation to provide services to its other customers;

(ii) are genuinely being dismissed for reasons of redundancy; and

(iii) have been selected for redundancy by the Supplier on objective grounds other than the fact that the Supplier is entitled to reimbursement under this

provision in respect of such employees;

"Breakage Costs Payment"	an amount equal to the Redundancy Costs and the Contract Breakage Costs as at the Termination Date as determined in accordance with Paragraph 3;
"Compensation Payment"	the payment calculated in accordance with Paragraph 6;
"Contract Breakage Costs"	the amounts payable by the Supplier to its Key Sub-contractors or other third parties (as applicable) for terminating all relevant Key Sub-contracts or Third Party Contracts as a direct result of the early termination of this Agreement;
"Dedicated Supplier Personnel"	all Supplier Personnel then assigned to the Services or any part of the Services. If the Supplier is unsure as to whether Supplier Personnel are or should be regarded as so assigned, it shall consult with the Authority whose view shall be determinative provided that the employee has been materially involved in the provision of the Services or any part of the Services;
"Profit Already Paid"	the Supplier Profit paid or payable to the Supplier under this Agreement for the period from the Effective Date up to (and including) the Termination Date;
"Redundancy Costs"	the total sum of any of the following sums paid to Applicable Supplier Personnel, each amount apportioned between the Supplier and the Authority based on the time spent by such employee on the Services as a proportion of the total Service duration: a) any statutory redundancy payment; and b) in respect of an employee who was a Transferring Former Supplier Employee or a Transferring Authority Employee, any contractual redundancy payment (or where such a contractual benefit on redundancy is a benefit payable from a pension scheme, the increase in cost to the Supplier as a net present value compared to the benefit payable on termination of employment without redundancy), provided that such

	employee was entitled to such contractual redundancy payment immediately prior to his or her transfer to the Supplier under the Employment Regulations;
"Request for Estimate"	a written request sent by the Authority to the Supplier, requiring that the Supplier provide it with an accurate estimate of the Termination Payment and Compensation Payment that would be payable if the Authority exercised its right under Clause 34.1(a) (*Termination by the Authority*) to terminate this Agreement for convenience on a specified Termination Date;
"Shortfall Period"	has the meaning given in Paragraph 6.2;
"Termination Estimate"	has the meaning given in Paragraph 11.2;
"Third Party Contract"	a contract with a third party entered into by the Supplier exclusively for the purpose of delivering the Services, as listed in Schedule 4.4 (*Third Party Contracts*);
"Total Costs Incurred"	the Costs incurred by the Supplier up to the Termination Date in the performance of this Agreement and detailed in the Financial Model (but excluding Contract Breakage Costs, Redundancy Costs and any costs the Supplier would not otherwise be able to recover through the Charges) less any Deductions up to (and including) the Termination Date;
"Unrecovered Costs"	the Costs incurred by the Supplier in the performance of this Agreement (as summarised in the Financial Model) to the extent that the same remain at the Termination Date to be recovered through Charges that but for the termination of this Agreement would have been payable by the Authority after the Termination Date in accordance with Schedule 7 (*Charges and Invoicing*) as such Costs and Charges are forecast in the Financial Model;
"Unrecovered Payment"	an amount equal to the lower of: a) the sum of the Unrecovered Costs and the Unrecovered Profit; and

e) the amount specified in Paragraph 4; and

"Unrecovered Profit"	(Total Costs Incurred x Anticipated Contract Life Profit Margin) - Profit Already Paid + Milestone Retentions remaining unpaid at the Termination Date.

2 TERMINATION PAYMENT

2.1 The Termination Payment payable pursuant to Clause 35.3(a) (*Payments by the Authority*) shall be an amount equal to the aggregate of the Breakage Costs Payment and the Unrecovered Payment.

3 BREAKAGE COSTS PAYMENT

3.1 The Supplier may recover through the Breakage Costs Payment only those costs incurred by the Supplier directly as a result of the termination of this Agreement which:

(a) would not have been incurred had this Agreement continued until expiry of the Initial Term, or in the event that the Term has been extended, the expiry of the Extension Period;

(b) are unavoidable, proven, reasonable, and not capable of recovery;

(c) are incurred under arrangements or agreements that are directly associated with this Agreement;

(d) are not Contract Breakage Costs relating to contracts or Sub-contracts with Affiliates of the Supplier; and

(e) relate directly to the termination of the Services.

Limitation on Breakage Costs Payment

3.2 The Breakage Costs Payment shall not exceed the lower of:

(a) the relevant limit set out in 17.7(a)(ii); and

(b) 120% of the estimate for the Breakage Costs Payment set out in any relevant Termination Estimate.

Redundancy Costs

3.3 The Authority shall not be liable under this Schedule for any costs associated with Supplier Personnel (whether relating to redundancy, redeployment or otherwise) other than the Redundancy Costs.

3.4 Where the Supplier can demonstrate that a member of Supplier Personnel will be made redundant following termination of this Agreement, but redeployment of such person is possible and would offer value for money to the Authority when compared with redundancy, then the Authority shall pay the Supplier the

actual direct costs incurred by the Supplier or its Sub-contractor arising out of the redeployment of such person (including retraining and relocation costs) subject to a maximum amount of £30,000 per relevant member of the Supplier Personnel.

Contract Breakage Costs

3.5 The Supplier shall be entitled to Contract Breakage Costs only in respect of Third Party Contracts or Sub-contracts which:

(a) are not assigned or novated to a Replacement Supplier at the request of the Authority in accordance with Schedule 8.5 (*Exit Management*); and

(b) the Supplier can demonstrate:

(i) are surplus to the Supplier's requirements after the Termination Date, whether in relation to use internally within its business or in providing services to any of its other customers; and

(ii) have been entered into by it in the ordinary course of business.

3.6 The Supplier shall seek to negotiate termination of any Third Party Contracts or Sub-contracts with the relevant third party or Sub-contractor (as the case may be) using all reasonable endeavours to minimise the cancellation or termination charges.

3.7 Except with the prior written agreement of the Authority, the Authority shall not be liable for any costs (including cancellation or termination charges) that the Supplier is obliged to pay in respect of:

(a) the termination of any contractual arrangements for occupation of, support of and/or services provided for Supplier premises which may arise as a consequence of the termination of this Agreement; and/or

(b) Assets not yet installed at the Termination Date.

4 UNRECOVERED PAYMENT

The Unrecovered Payment shall not exceed the lowest of:

(a) the relevant limit set out in 17.7(a)(ii);

(b) 120% of the estimate for the Unrecovered Payment set out in any relevant Termination Estimate; and

(c) the Charges that but for the termination of this Agreement would have been payable by the Authority after the Termination Date in accordance with Schedule 7 (*Charges and Invoicing*) as forecast in the Financial Model.

5 MITIGATION OF CONTRACT BREAKAGE COSTS, REDUNDANCY COSTS AND UNRECOVERED COSTS

5.1 The Supplier agrees to use all reasonable endeavours to minimise and mitigate Contract Breakage Costs, Redundancy Costs and Unrecovered Costs by:

(a) the appropriation of Assets, employees and resources for other purposes;

(b) at the Authority's request, assigning any Third Party Contracts and Sub-contracts to the Authority or a third party acting on behalf of the Authority; and

(c) in relation Third Party Contracts and Sub-contract that are not to be assigned to the Authority or to another third party, terminating those contracts at the earliest possible date without breach or where contractually permitted.

5.2 If Assets, employees and resources can be used by the Supplier for other purposes, then there shall be an equitable reduction in the Contract Breakage Costs, Redundancy Costs and Unrecovered Costs payable by the Authority or a third party to the Supplier. In the event of any Dispute arising over whether the Supplier can use any Assets, employees and/or resources for other purposes and/or over the amount of the relevant equitable reduction, the Dispute shall be referred to an Expert for determination in accordance with the procedure detailed in Schedule 8.3 (*Dispute Resolution Procedure*).

6 COMPENSATION PAYMENT

6.1 The Compensation Payment payable pursuant to Clause 35.3(b) (*Payments by the Authority*) shall be an amount equal to the total forecast Charges over the Shortfall Period (as stated in the Financial Model) multiplied by the Anticipated Contract Life Profit Margin.

6.2 For the purposes of Paragraph 6.1, the "**Shortfall Period**" means:

(a) where the Authority terminates this Agreement pursuant to Clause 34.1(a) (*Termination by the Authority*), a number of days equal to the number of days by which the notice given (or deemed given pursuant to Paragraph 2.1(a) of Part D of Schedule 7 (*Charges and Invoicing*)) falls short of three hundred and sixty-five (365) days; or

(b) where the Supplier terminates this Agreement pursuant to Clause 34.3(a) (*Termination by the Supplier*), a number of days equal to the number of days by which the period from (and including) the date of the non-payment by the Authority to (and including) the Termination Date falls short of 365 days,

but in each case subject to the limit set out in Paragraph 6.3.

6.3 The Compensation Payment shall be no greater than the lower of:

(a) the relevant limit set out in 17.7(a)(ii); and

(b) 120% of the estimate for the Compensation Payment set out in the relevant Termination Estimate.

7 FULL AND FINAL SETTLEMENT

7.1 Any Termination Payment and/or Compensation Payment paid under this Schedule shall be in full and final settlement of any claim, demand and/or proceedings of the Supplier in relation to any termination by the Authority pursuant to Clause 34.1(a) (*Termination by the Authority*) or termination by the Supplier pursuant to Clause 34.3(a) (*Termination by the Supplier*) (as applicable), and the Supplier shall be excluded from all other rights and remedies it would otherwise have been entitled to in respect of any such termination.

8 INVOICING FOR THE PAYMENTS ON TERMINATION

8.1 All sums due under this Schedule shall be payable by the Authority to the Supplier in accordance with the payment terms set out in Schedule 7 (*Charges and Invoicing*).

9 SET OFF

9.1 The Authority shall be entitled to set off any outstanding liabilities of the Supplier against any amounts that are payable by it pursuant to this Schedule.

10 NO DOUBLE RECOVERY

10.1 If any amount payable under this Schedule (in whole or in part) relates to or arises from any Transferring Assets then, to the extent that the Authority makes any payments pursuant to Schedule 8.5 (*Exit Management*) in respect of such Transferring Assets, such payments shall be deducted from the amount payable pursuant to this Schedule.

10.2 The value of the Termination Payment and/or the Compensation Payment shall be reduced or extinguished to the extent that the Supplier has already received the Charges or the financial benefit of any other rights or remedy given under this Agreement so that there is no double counting in calculating the relevant payment.

10.3 Any payments that are due in respect of the Transferring Assets shall be calculated in accordance with the provisions of the Exit Transition Plan.

11 ESTIMATE OF TERMINATION PAYMENT AND COMPENSATION PAYMENT

11.1 The Authority may issue a Request for Estimate at any time during the Term provided that no more than 2 Requests for Estimate may be issued in any 6 month period.

11.2 The Supplier shall within 20 Working Days of receiving the Request for Estimate (or such other timescale agreed between the Parties), provide an accurate written estimate of the Termination Payment and the Compensation Payment that would be payable by the Authority based on a postulated

Termination Date specified in the Request for Estimate (such estimate being the "**Termination Estimate**"). The Termination Estimate shall:

(a) be based on the relevant amounts set out in the Financial Model;

(b) include:

(i) details of the mechanism by which the Termination Payment is calculated;

(ii) full particulars of the estimated Contract Breakage Costs in respect of each Sub-contract or Third Party Contract and appropriate supporting documentation; and

(iii) such information as the Authority may reasonably require; and

(c) state the period for which that Termination Estimate remains valid, which shall be not less than 20 Working Days.

11.3 The Supplier acknowledges that issue of a Request for Estimate shall not be construed in any way as to represent an intention by the Authority to terminate this Agreement.

11.4 If the Authority issues a Termination Notice to the Supplier within the stated period for which a Termination Estimate remains valid, the Supplier shall use the same mechanism to calculate the Termination Payment as was detailed in the Termination Estimate unless otherwise agreed in writing between the Supplier and the Authority.

ANNEX 1: MAXIMUM PAYMENTS ON TERMINATION

The table below sets out, by Contract Year, the maximum amount of the Unrecovered Payment, Breakage Costs Payment and Compensation Payment that the Authority shall be liable to pay to the Supplier pursuant to this Agreement:

Payment	Termination Date			Assumpti Calculation
	Anytime in the first Contract Year	**Anytime in the second Contract Year**	**Anytime in Contract Years 3 – 12**	
Maximum Unrecovered Payment	[Redacted]	[Redacted]	[Redacted]	[Redacted].
• Unrecovered Costs	[Redacted]	[Redacted]	[Redacted]	[Redacted]
• Unrecovered Profit	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Maximum Breakage Costs Payment	[Redacted]	[Redacted]	[Redacted]	[Redacted]
• Redundancy Costs	[Redacted]	[Redacted]	[Redacted]	[Redacted]
• Contract Breakage Costs	[Redacted]	[Redacted]	[Redacted]	[Redacted]
Maximum Compensation Payment	[Redacted]	[Redacted]	[Redacted]	[Redacted]

***** References in the table above to the 'Calculation' worksheet in "TPS Termination Charges 170822" are references to such document as issued to the Supplier on the Effective Date through the Authority's procurement portal JAGGAER.

SCHEDULE 7.3

FINANCIAL MATTERS – BENCHMARKING

1 DEFINITIONS

1.1 In this Schedule, the following definitions shall apply:

"Benchmarked Service"	a Service that the Authority elects to include in a Benchmark Review under Paragraph 2.3;
"Benchmarker"	the independent third party appointed under Paragraph 3.1;
"Benchmark Report"	the report produced by the Benchmarker following the Benchmark Review as further described in Paragraph 5;
"Benchmark Review"	a review of one or more of the Services carried out in accordance with Paragraph 4 to determine whether those Services represent Good Value;
"Comparable Service"	in relation to a Benchmarked Service, a service that is identical or materially similar to the Benchmarked Service (including in terms of scope, specification, volume and quality of performance);
"Comparison Group"	in relation to a Comparable Service, a sample group of organisations providing the Comparable Service identified by the Benchmarker under Paragraph 4.8 which consists of organisations which are either of similar size to the Supplier or which are similarly structured in terms of their business and their service offering so as to be (in the Benchmarker's professional opinion) fair comparators with the Supplier or which, in the professional opinion of the Benchmarker, are best practice organisations and, where there are a reasonable number of such organisations, referencing only those organisations that are carrying on at least a significant part of their business within the United Kingdom;
"Equivalent Services Data"	in relation to a Comparable Service, data derived from an analysis of the Comparable Service provided by the Comparison Group as adjusted in accordance with Paragraphs 4.8(a) and 4.9 provided that the Benchmarker shall not use any such data that relates to a period which ended

more than 36 months prior to the date of the appointment of the Benchmarker;

"Good Value" in relation to a Benchmarked Service, that:

a) having taken into account the Performance Indicators and Target Service Levels, the value for money of the Charges attributable to that Benchmarked Service is at least as good as the value for money of the Upper Quartile; and

b) any Performance Indicators and Target Service Levels applicable to that Benchmarked Service are, having taken into account the Charges, equal to or better than the median service levels for the Comparable Service using Equivalent Services Data; and

"Upper Quartile" the top 25% of instances of provision of a Comparable Service by members of the Comparison Group ranked by best value for money to the recipients of that Comparable Service.

2 FREQUENCY, PURPOSE AND SCOPE OF BENCHMARK REVIEW

2.1 The Authority may, by written notice to the Supplier, require a Benchmark Review of any or all of the Services in order to establish whether a Benchmarked Service is, and/or the Benchmarked Services as a whole are, Good Value.

2.2 The Authority shall not be entitled to carry out a Benchmark Review of any Services during the 12 month period from the Operational Service Commencement Date for those Services, nor at intervals of less than 12 months after any previous Benchmark Review relating to the same Services.

2.3 The Services that are to be the Benchmarked Services shall be identified by the Authority in the notice given under Paragraph 2.1.

3 APPOINTMENT OF BENCHMARKER

3.1 The Authority shall appoint as the Benchmarker to carry out the Benchmark Review either an organisation on the list of organisations set out in 0 or such other organisation as may be agreed in writing between the Parties.

3.2 The Authority shall, at the written request of the Supplier, require the Benchmarker to enter into a confidentiality agreement with the Supplier in, or substantially in, the form set out in 0.

3.3 The costs and expenses of the Benchmarker and the Benchmark Review shall be shared equally between both Parties provided that each Party shall bear its

own internal costs of the Benchmark Review. The Benchmarker shall not be compensated on a contingency fee or incentive basis.

3.4 The Authority shall be entitled to pay the Benchmarker's costs and expenses in full and to recover the Supplier's share from the Supplier.

4 BENCHMARK REVIEW

4.1 The Authority shall require the Benchmarker to produce, and to send to each Party for approval, a draft plan for the Benchmark Review within 10 Working Days after the date of the appointment of the Benchmarker, or such longer period as the Benchmarker shall reasonably request in all the circumstances. The plan must include:

4.1.1 a proposed timetable for the Benchmark Review;

4.1.2 a description of the information that the Benchmarker requires each Party to provide;

4.1.3 a description of the benchmarking methodology to be used;

4.1.4 a description that clearly illustrates that the benchmarking methodology to be used is capable of fulfilling the benchmarking objectives under Paragraph 2.1;

4.1.5 an estimate of the resources required from each Party to underpin the delivery of the plan;

4.1.6 a description of how the Benchmarker will scope and identify the Comparison Group;

4.1.7 details of any entities which the Benchmarker proposes to include within the Comparison Group; and

4.1.8 if in the Benchmarker's professional opinion there are no Comparable Services or the number of entities carrying out Comparable Services is insufficient to create a Comparison Group, a detailed approach for meeting the relevant benchmarking objective(s) under Paragraph 2.1 using a proxy for the Comparison Services and/or Comparison Group as applicable.

4.2 The Parties acknowledge that the selection and or use of proxies for the Comparison Group (both in terms of number and identity of entities) and Comparable Services shall be a matter for the Benchmarker's professional judgment.

4.3 Each Party shall give notice in writing to the Benchmarker and to the other Party within 10 Working Days after receiving the draft plan either approving the draft plan or suggesting amendments to that plan which must be reasonable Where a Party suggests amendments to the draft plan pursuant to this Paragraph 4.3, the Benchmarker shall, if it believes the amendments are reasonable, produce an amended draft plan. Paragraph 4.1 and this Paragraph 4.3 shall apply to any amended draft plan.

4.4 Failure by a Party to give notice under Paragraph 4.3 shall be treated as approval of the draft plan by that Party. If the Parties fail to approve the draft plan within 30 Working Days of its first being sent to them pursuant to Paragraph 4.1 then the Benchmarker shall prescribe the plan.

4.5 Once the plan is approved by both Parties or prescribed by the Benchmarker, the Benchmarker shall carry out the Benchmark Review in accordance with the plan. Each Party shall procure that all the information described in the plan, together with any additional information reasonably required by the Benchmarker is provided to the Benchmarker without undue delay. If the Supplier fails to provide any information requested from it by the Benchmarker and described in the plan, such failure shall constitute a material Default for the purposes of Clause 28.1(c) (*Rectification Plan Process*).

4.6 Each Party shall co-operate fully with the Benchmarker, including by providing access to records, technical documentation, premises, equipment, systems and personnel at times reasonably requested by the Benchmarker, provided that the Benchmarker shall be instructed to minimise any disruption to the Services.

4.7 Either Party may provide additional material to the Benchmarker to assist the Benchmarker in conducting the Benchmark Review.

4.8 Once it has received the information it requires, the Benchmarker shall:

(a) finalise the sample of entities constituting the Comparison Group and collect data relating to Comparable Services. The final selection of the Comparison Group (both in terms of number and identity of entities) and of the Comparable Services shall be a matter for the Benchmarker's professional judgment;

(b) derive the Equivalent Services Data by applying the adjustment factors listed in Paragraph 4.9 and from an analysis of the Comparable Services;

(c) derive the relative value for money of the charges payable for the Comparable Services using the Equivalent Services Data and from that derive the Upper Quartile;

(d) derive the median service levels relating to the Comparable Services using the Equivalent Services Data;

(e) compare the value for money of the Charges attributable to the Benchmarked Services (having regard in particular to the applicable Performance Indicators and Target Service Levels) to the value for money of the Upper Quartile;

(f) compare the Performance Indicators and Target Service Levels attributable to the Benchmarked Services (having regard to the Charges and Service Credits) with the median service levels using the Equivalent Services Data; and

(g) determine whether or not each Benchmarked Service is and/or the Benchmarked Services as a whole are, Good Value.

4.9 The Benchmarker shall have regard to the following matters when performing a comparative assessment of a Benchmarked Service and a Comparable Service in order to derive Equivalent Services Data:

(a) the contractual and business environment under which the Services are being provided (including the scope, scale, complexity and geographical spread of the Services);

(b) any front-end investment and development costs of the Supplier;

(c) the Supplier's risk profile including the financial, performance or liability risks associated with the provision of the Services as a whole;

(d) the extent of the Supplier's management and contract governance responsibilities;

(e) any other reasonable factors demonstrated by the Supplier, which, if not taken into consideration, could unfairly cause the Supplier's pricing to appear non-competitive (such as erroneous costing, non-sustainable behaviour including excessive consumption of energy or over-aggressive pricing).

5 BENCHMARK REPORT

5.1 The Benchmarker shall be required to prepare a Benchmark Report and deliver it simultaneously to both Parties, at the time specified in the plan approved under Paragraph 4, setting out its findings. The Benchmark Report shall:

(a) include a finding as to whether or not each Benchmarked Service is and/or whether the Benchmarked Services as a whole are, Good Value;

(b) include other findings (if any) regarding the quality and competitiveness or otherwise of those Services;

(c) if any Benchmarked Service is not Good Value, or the Benchmarked Services as a whole are not Good Value, specify the changes that would be required to the Charges, Performance Indicators and/or Target Performance Levels, that would be required to make that Benchmarked Service or those Benchmarked Services as a whole Good Value; and

(d) illustrate the method used for any normalisation of the Equivalent Services Data

5.2 The Benchmarker shall act as an expert and not as an arbitrator.

5.3 If the Benchmark Report states that any Benchmarked Service is not Good Value or that the Benchmarked Services as a whole are not Good Value, then

the Supplier shall (subject to Paragraphs 5.5 and 5.6) implement the changes set out in the Benchmark Report as soon as reasonably practicable within timescales agreed with the Authority but in any event within no more than 3 months. Any associated changes to the Charges shall take effect only from the same date and shall not be retrospective.

5.4 The Supplier acknowledges and agrees that Benchmark Reviews shall not result in any increase to the Charges, disapplication of the Performance Indicators or any reduction in the Target Performance Levels.

5.5 The Supplier shall be entitled to reject any Benchmark Report if the Supplier reasonably considers that the Benchmarker has not followed the procedure for the related Benchmark Review as set out in this Schedule in any material respect.

5.6 The Supplier shall not be obliged to implement any Benchmark Report to the extent this would cause the Supplier to provide the Services at a loss (as determined, by reference to the Financial Model), or to the extent the Supplier cannot technically implement the recommended changes.

5.7 In the event of any Dispute arising over whether the Benchmarker has followed the procedure for the related Benchmark Review under Paragraph 5.5 and/or any matter referred to in Paragraph 5.6, the Dispute shall be referred to Expert Determination. For the avoidance of doubt in the event of a Dispute between the Parties, the Authority shall continue to pay the Charges to the Supplier in accordance with the terms of this Agreement and the Performance Indicators and Target Performance Levels shall remain unchanged pending the conclusion of the Expert Determination.

5.8 On conclusion of the Expert Determination:

(a) if the Expert determines that all or any part of the Benchmark Report recommendations regarding any reduction in the Charges shall be implemented by the Supplier, the Supplier shall immediately repay to the Authority the difference between the Charges paid by the Authority up to and including the date of the Expert's determination and the date upon which the recommended reduction in Charges should have originally taken effect pursuant to Paragraph 5.3 together with interest thereon at the applicable rate under the Late Payment Of Commercial Debts (Interest) Act 1998; and

(b) if the Expert determines that all or any part of the Benchmark Report recommendations regarding any changes to the Performance Indicators and/or Target Performance Levels shall be implemented by the Supplier:

(i) the Supplier shall immediately implement the relevant changes;

(ii) the Supplier shall immediately pay an amount equal to any Service Credits which would have accrued up to and including the date of the Expert’s determination if the relevant changes had taken effect on the date determined

pursuant to Paragraph 5.3 together with interest thereon at the applicable rate under the Late Payment Of Commercial Debts (Interest) Act 1998; and

(iii) the relevant changes shall thereafter be subject to the Change Control Procedure for the purposes of formalising and documenting the relevant change or amendment for the purposes of this Agreement.

5.9 Any failure by the Supplier to implement the changes as set out in the Benchmark Report in accordance with the relevant timescales determined in accordance with Paragraph 5.3 (unless the provisions of Paragraph 5.6 and/or Paragraph 5.7 apply) or in accordance with Paragraph 5.8 shall, without prejudice to any other rights or remedies of the Authority, constitute a Supplier Termination Event.

ANNEX 1: APPROVED BENCHMARKERS

Name	Address
Chartered Institute of Public Finance and Accountancy	77 Mansell Street London E1 8AN
National Audit Office	157-197 Buckingham Palace Road Victoria London SW1W 9SP

ANNEX 2: CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

THIS AGREEMENT is made on [date]

BETWEEN:

(1) **[*insert name*]** of [***insert address***] (the "**Supplier**"); and

(2) **[*insert name*]** of [***insert address***] (the "**Benchmarker**" and together with the Supplier, the "**Parties**").

WHEREAS:

(A) [insert name of Authority] (the "**Authority**") and the Supplier are party to a contract dated [insert date] (the "**Contract**") for the provision by the Supplier of [insert brief description of services] to the Authority.

(B) The Benchmarker is to receive Confidential Information from the Supplier for the purpose of carrying out a benchmarking review for the Authority of one or more of such services pursuant to the terms of the Contract (the "**Permitted Purpose**").

IT IS AGREED as follows:

1 **Interpretation**

1.1 In this Agreement, unless the context otherwise requires:

"Confidential Information" means:

a) Information, including all personal data within the meaning of the Data Protection Act 2018, and however it is conveyed, provided by the Supplier to the Benchmarker pursuant to this Agreement that relates to:

(i) the Supplier; or

(ii) the operations, business, affairs, developments, intellectual property rights, trade secrets, know-how and/or personnel of the Supplier;

b) other Information provided by the Supplier pursuant to this Agreement to the Benchmarker that is clearly designated as being confidential or equivalent or that ought reasonably to be considered to be confidential which comes (or has come) to the Benchmarker's attention or into the

Benchmarker's possession in connection with the Permitted Purpose;

c) discussions, negotiations, and correspondence between the Supplier or any of its directors, officers, employees, consultants or professional advisers and the Benchmarker or any of its directors, officers, employees, consultants and professional advisers in connection with the Permitted Purpose and all matters arising therefrom; and

d) Information derived from any of the above,

but not including any Information that:

e) was in the possession of the Benchmarker without obligation of confidentiality prior to its disclosure by the Supplier;

f) the Benchmarker obtained on a non-confidential basis from a third party who is not, to the Benchmarker's knowledge or belief, bound by a confidentiality agreement with the Supplier or otherwise prohibited from disclosing the information to the Benchmarker;

g) was already generally available and in the public domain at the time of disclosure otherwise than by a breach of this Agreement or breach of a duty of confidentiality; or

h) was independently developed without access to the Confidential Information;

"Information" means all information of whatever nature, however conveyed and in whatever form, including in writing, orally, by demonstration, electronically and in a tangible, visual or machine-readable medium (including CD-ROM, magnetic and digital form); and

"Permitted Purpose" has the meaning given to that expression in recital (B) to this Agreement.

1.2 In this Agreement:

(a) a reference to any gender includes a reference to other genders;

(b) the singular includes the plural and vice versa;

(c) the words “include” and cognate expressions shall be construed as if they were immediately followed by the words “without limitation”;

(d) references to any statutory provision include a reference to that provision as modified, replaced, amended and/or re-enacted from time to time (before or after the date of this Agreement) and any prior or subsequent subordinate legislation made under it;

(e) headings are included for ease of reference only and shall not affect the interpretation or construction of this Agreement; and

(f) references to Clauses are to clauses of this Agreement.

2 Confidentiality Obligations

2.1 In consideration of the Supplier providing Confidential Information to the Benchmarker, the Benchmarker shall:

(a) treat all Confidential Information as secret and confidential;

(b) have in place and maintain proper security measures and procedures to protect the confidentiality of the Confidential Information (having regard to its form and nature);

(c) not disclose or permit the disclosure of any of the Confidential Information to any other person without obtaining the prior written consent of the Supplier or, if relevant, other owner or except as expressly set out in this Agreement;

(d) not transfer any of the Confidential Information outside the United Kingdom;

(e) not use or exploit any of the Confidential Information for any purpose whatsoever other than the Permitted Purpose;

(f) immediately notify the Supplier in writing if it suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form of any of the Confidential Information; and

(g) once the Permitted Purpose has been fulfilled:

(i) destroy or return to the Supplier all documents and other tangible materials that contain any of the Confidential Information;

(ii) ensure, so far as reasonably practicable, that all Confidential Information held in electronic, digital or other machine-readable form ceases to be readily accessible (other than by the information technology staff of the Benchmarker) from any computer, word processor, voicemail system or any other device; and

(iii) make no further use of any Confidential Information.

3 **Permitted Disclosures**

3.1 The Benchmarker may disclose Confidential Information to those of its directors, officers, employees, consultants and professional advisers who:

(a) reasonably need to receive the Confidential Information in connection with the Permitted Purpose; and

(b) have been informed by the Benchmarker of the confidential nature of the Confidential Information; and

(c) have agreed to terms similar to those in this Agreement.

3.2 The Benchmarker shall be entitled to disclose Confidential Information to the Authority for the Permitted Purpose and to any Expert appointed in relation to a Dispute as referred to in paragraph 5.7 of Schedule 7.3 (*Benchmarking*) to the Contract.

3.3 The Benchmarker shall be entitled to disclose Confidential Information to the extent that it is required to do so by applicable law or by order of a court or other public body that has jurisdiction over the Benchmarker.

3.4 Before making a disclosure pursuant to Clause 3.3, the Benchmarker shall, if the circumstances permit:

(d) notify the Supplier in writing of the proposed disclosure as soon as possible (and if possible before the court or other public body orders the disclosure of the Confidential Information); and

(e) ask the court or other public body to treat the Confidential Information as confidential.

4 **General**

4.1 The Benchmarker acknowledges and agrees that all property, including intellectual property rights, in Confidential Information disclosed to it by the Supplier shall remain with and be vested in the Supplier.

4.2 This Agreement does not include, expressly or by implication, any representations, warranties or other obligations:

(a) to grant the Benchmarker any licence or rights other than as may be expressly stated in this Agreement;

(b) to require the Supplier to disclose, continue disclosing or update any Confidential Information; or

(c) as to the accuracy, efficacy, completeness, capabilities, safety or any other qualities whatsoever of any Information or materials provided pursuant to or in anticipation of this Agreement.

4.3 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies provided by law. No failure or delay by either Party to exercise any right, power or remedy will

operate as a waiver of it nor will any partial exercise preclude any further exercise of the same, or of some other right, power or remedy.

4.4 Without prejudice to any other rights or remedies that the Supplier may have, the Benchmarker acknowledges and agrees that damages alone may not be an adequate remedy for any breach by the Benchmarker of any of the provisions of this Agreement. Accordingly, the Benchmarker acknowledges that the Supplier shall be entitled to the remedies of injunction and specific performance as well as any other equitable relief for any threatened or actual breach of this Agreement and/or breach of confidence and that no proof of special damages shall be necessary for the enforcement of such remedies.

4.5 The maximum liability of the Benchmarker to the Supplier for any breach of this Agreement shall be limited to ten million pounds (£10,000,000).

4.6 For the purposes of the Contracts (Rights of Third Parties) Act 1999 no one other than the Parties has the right to enforce the terms of this Agreement.

4.7 Each Party shall be responsible for all costs incurred by it or on its behalf in connection with this Agreement.

4.8 This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

5 Notices

5.1 Any notice to be given under this Agreement (each a "**Notice**") shall be given in writing and shall be delivered by hand and shall be deemed to have been duly given at the time of delivery provided that such Notice is sent to the relevant physical address, and expressly marked for the attention of the relevant individual, set out in Clause 5.2.

5.2 Any Notice:

(a) if to be given to the Supplier shall be sent to:

[*Address*]

Attention: [*Contact name and/or position, e.g. "The Finance Director"*]

(b) if to be given to the Benchmarker shall be sent to:

[*Name of Organisation*]

[*Address*]

Attention: [ ]

6 Governing law

6.1 This Agreement shall be governed by, and construed in accordance with, English law and any matter claim or dispute arising out of or in connection with this Agreement whether contractual or non-contractual, shall be governed by and determined in accordance with English law.

6.2 Each Party hereby irrevocably submits to the exclusive jurisdiction of the English courts in respect of any claim or dispute arising out of or in connection with this Agreement.

IN WITNESS of the above this Agreement has been signed by the duly authorised representatives of the Parties on the date which appears at the head of page 1.

For and on behalf of [*name of Supplier*]

Signature: _____ Date:

Name: Position:

For and on behalf of [*name of Benchmarker*]

Signature: _____ Date:

Name: Position:

SCHEDULE 7.4

FINANCIAL MATTERS - FINANCIAL DISTRESS

1 DEFINITIONS

1.1 In this Schedule, the following definitions shall apply:

"Applicable Financial Indicators"	means the financial indicators from Paragraph 5.1 of this Schedule which are to apply to the Monitored Suppliers as set out in Paragraph 5.2 of this Schedule;
"Board"	means the Supplier's board of directors;
"Board Confirmation"	means written confirmation from the Board in accordance with Paragraph 8 of this Schedule;
"Credit Rating Level"	a credit rating level as specified in 0 of this Schedule;
"Credit Rating Threshold"	the minimum Credit Rating Level for each entity in the FDE Group as set out in 0 of this Schedule;
"FDE Group"	means the Supplier, Key Sub-contractors, and the Monitored Suppliers;
"Financial Indicators"	in respect of the Supplier and Key Sub-contractors , means each of the financial indicators set out at paragraph 5.1 of this Schedule; and in respect of each Monitored Supplier, means those Applicable Financial Indicators;
"Financial Target Thresholds"	means the target thresholds for each of the Financial Indicators set out at paragraph 5.1 of this Schedule;
"Monitored Suppliers"	means those entities specified at paragraph 5.2 of this Schedule;
"Rating Agencies"	the rating agencies listed in 0 of this Schedule.

2 WARRANTIES AND DUTY TO NOTIFY

2.1 The Supplier warrants and represents to the Authority for the benefit of the Authority that as at the Effective Date:

(a) the long term credit ratings issued for each entity in the FDE Group by each of the Rating Agencies are as set out in 0 of this Schedule; and

(b) the financial position or, as appropriate, the financial performance of each of the Supplier and Key Sub-contractors satisfies the Financial Target Thresholds.

2.2 The Supplier shall promptly notify (or shall procure that its auditors promptly notify) the Authority in writing if there is any downgrade in the credit rating issued by any Rating Agency for any entity in the FDE Group (and in any event within 5 Working Days of the occurrence of the downgrade).

2.3 The Supplier shall:

(a) regularly monitor the credit ratings of each entity in the FDE Group with the Rating Agencies;

(b) monitor and report on the Financial Indicators for each entity in the FDE Group against the Financial Target Thresholds at least at the frequency set out for each at Paragraph 5.1 (where specified) and in any event, on a regular basis and no less than once a year within one hundred and twenty (120) days after the Accounting Reference Date; and

(c) promptly notify (or shall procure that its auditors promptly notify) the Authority in writing following the occurrence of a Financial Distress Event or any fact, circumstance or matter which could cause a Financial Distress Event (and in any event, ensure that such notification is made within 10 Working Days of the date on which the Supplier first becomes aware of the Financial Distress Event or the fact, circumstance or matter which could cause a Financial Distress Event).

2.4 For the purposes of determining whether a Financial Distress Event has occurred pursuant to the provisions of Paragraphs 3.1(a), and for the purposes of determining relief under Paragraph 7.1, the credit rating of an FDE Group entity shall be deemed to have dropped below the applicable Credit Rating Threshold if:

(a) any of the Rating Agencies have given a Credit Rating Level for that entity which is below the applicable Credit Rating Threshold; or

(b) a Rating Agency that is specified as holding a Credit Rating for an entity as set out at 0 of this Schedule ceases to hold a Credit Rating for that entity.

2.5 Each report submitted by the Supplier pursuant to paragraph 2.3(b) shall:

(a) be a single report with separate sections for each of the FDE Group entities;

(b) contain a sufficient level of information to enable the Authority to verify the calculations that have been made in respect of the Financial Indicators;

(c) include key financial and other supporting information (including any accounts data that has been relied on) as separate annexes;

(d) be based on the audited accounts for the date or period on which the Financial Indicator is based or, where the Financial Indicator is not linked to an accounting period or an accounting reference date, on unaudited management accounts prepared in accordance with their normal timetable; and

(e) include a history of the Financial Indicators reported by the Supplier in graph form to enable the Authority to easily analyse and assess the trends in financial performance.

3 FINANCIAL DISTRESS EVENTS

3.1 The following shall be Financial Distress Events:

(a) the credit rating of an FDE Group entity dropping below the applicable Credit Rating Threshold;

(b) an FDE Group entity issuing a profits warning to a stock exchange or making any other public announcement, in each case about a material deterioration in its financial position or prospects;

(c) there being a public investigation into improper financial accounting and reporting, suspected fraud or any other impropriety of an FDE Group entity;

(d) an FDE Group entity committing a material breach of covenant to its lenders;

(e) a Key Sub-contractor notifying the Authority that the Supplier has not satisfied any material sums properly due under a specified invoice and not subject to a genuine dispute;

3.2 any of the following:

(i) commencement of any litigation against an FDE Group entity with respect to financial indebtedness greater than £5m or obligations under a service contract with a total contract value greater than £5m;

(ii) non-payment by an FDE Group entity of any financial indebtedness;

(iii) any financial indebtedness of an FDE Group entity becoming due as a result of an event of default;

(iv) the cancellation or suspension of any financial indebtedness in respect of an FDE Group entity; or

(v) the external auditor of an FDE Group entity expressing a qualified opinion on, or including an emphasis of matter in, its opinion on the statutory accounts of that FDE entity;

(vi) in each case which the Authority reasonably believes (or would be likely reasonably to believe) could directly impact on the continued performance and delivery of the Services in accordance with this Agreement; and

3.3 any one of the Financial Indicators set out at Paragraph 17.11 for any of the FDE Group entities failing to meet the required Financial Target Threshold.

4 CONSEQUENCES OF FINANCIAL DISTRESS EVENTS

4.1 Immediately upon notification by the Supplier of a Financial Distress Event (or if the Authority becomes aware of a Financial Distress Event without notification and brings the event to the attention of the Supplier), the Supplier shall have the obligations and the Authority shall have the rights and remedies as set out in Paragraphs 4.3 to 4.6.

4.2 In the event of a late or non-payment of a Key Sub-contractor pursuant to Paragraph 3.1(e), the Authority shall not exercise any of its rights or remedies under Paragraph 4.3 without first giving the Supplier 10 Working Days to:

(a) rectify such late or non-payment; or

(b) demonstrate to the Authority's reasonable satisfaction that there is a valid reason for late or non-payment.

4.3 The Supplier shall (and shall procure that any Monitored Supplier and/or any relevant Key Sub-contractor shall):

(a) at the request of the Authority, meet the Authority as soon as reasonably practicable (and in any event within 3 Working Days of the initial notification (or awareness) of the Financial Distress Event or such other period as the Authority may permit and notify to the Supplier in writing) to review the effect of the Financial Distress Event on the continued performance and delivery of the Services in accordance with this Agreement; and

(b) where the Authority reasonably believes (taking into account the discussions and any representations made under Paragraph 4.3(a) that the Financial Distress Event could impact on the continued performance and delivery of the Services in accordance with this Agreement:

(i) submit to the Authority for its approval, a draft Financial Distress Remediation Plan as soon as reasonably practicable (and in any event, within 10 Working Days of the initial notification (or awareness) of the Financial Distress Event or such other period as the Authority may permit and notify to the Supplier in writing); and

(ii) to the extent that it is legally permitted to do so and subject to Paragraph 4.8, provide such information relating to the Supplier, any Monitored Supplier and/or Key Sub-contractors as the Authority may reasonably require in order to understand the risk to the Services, which may include forecasts in relation to cash flow, orders and profits and details of financial measures being considered to mitigate the impact of the Financial Distress Event.

4.4 The Authority shall not withhold its approval of a draft Financial Distress Remediation Plan unreasonably. If the Authority does not approve the draft Financial Distress Remediation Plan, it shall inform the Supplier of its reasons and the Supplier shall take those reasons into account in the preparation of a further draft Financial Distress Remediation Plan, which shall be resubmitted to the Authority within 5 Working Days of the rejection of the first draft. This process shall be repeated until the Financial Distress Remediation Plan is approved by the Authority or referred to the Dispute Resolution Procedure under Paragraph 4.5.

4.5 If the Authority considers that the draft Financial Distress Remediation Plan is insufficiently detailed to be properly evaluated, will take too long to complete or will not ensure the continued performance of the Supplier's obligations in accordance with the Agreement, then it may either agree a further time period for the development and agreement of the Financial Distress Remediation Plan or escalate any issues with the draft Financial Distress Remediation Plan using the Dispute Resolution Procedure.

4.6 Following approval of the Financial Distress Remediation Plan by the Authority, the Supplier shall:

(a) on a regular basis (which shall not be less than fortnightly):

(i) review and make any updates to the Financial Distress Remediation Plan as the Supplier may deem reasonably necessary and/or as may be reasonably requested by the Authority, so that the plan remains adequate, up to date and ensures the continued performance and delivery of the Services in accordance with this Agreement; and

(ii) provide a written report to the Authority setting out its progress against the Financial Distress Remediation Plan, the reasons for any changes made to the Financial Distress Remediation Plan by the Supplier and/or the reasons why the Supplier may have decided not to make any changes;

(b) where updates are made to the Financial Distress Remediation Plan in accordance with Paragraph 4.6(a), submit an updated Financial Distress Remediation Plan to the Authority for its approval, and the provisions of Paragraphs 4.4 and 4.5 shall apply to the review and approval process for the updated Financial Distress Remediation Plan; and

(c) comply with the Financial Distress Remediation Plan (including any updated Financial Distress Remediation Plan) and ensure that it achieves the financial and performance requirements set out in the Financial Distress Remediation Plan.

4.7 Where the Supplier reasonably believes that the relevant Financial Distress Event under Paragraph 4.1 (or the circumstance or matter which has caused or otherwise led to it) no longer exists, it shall notify the Authority and the Parties may agree that the Supplier shall be relieved of its obligations under Paragraph 4.6.

4.8 The Supplier shall use reasonable endeavours to put in place the necessary measures to ensure that the information specified at paragraph 4.3(b)(ii) is available when required and on request from the Authority and within reasonable timescales. Such measures may include:

(a) obtaining in advance written authority from Key Sub-contractors and/or Monitored Suppliers authorising the disclosure of the information to the Authority and/or entering into confidentiality agreements which permit disclosure;

(b) agreeing in advance with the Authority, Key Sub-contractors and/or Monitored Suppliers a form of confidentiality agreement to be entered by the relevant parties to enable the disclosure of the information to the Authority;

(c) putting in place any other reasonable arrangements to enable the information to be lawfully disclosed to the Authority (which may include making price sensitive information available to Authority nominated personnel through confidential arrangements, subject to their consent); and

(d) disclosing the information to the fullest extent that it is lawfully entitled to do so, including through the use of redaction, anonymisation and any other techniques to permit disclosure of the information without breaching a duty of confidentiality.

5 FINANCIAL INDICATORS

5.1 Subject to the calculation methodology set out at 0 of this Schedule, the Financial Indicators and the corresponding calculations and thresholds used to determine whether a Financial Distress Event has occurred in respect of those Financial Indicators, shall be as follows:

Financial Indicator	Calculation[1]	Financial Target Threshold:	Monitoring and Reporting Frequency
1 **Operating Margin**	*Operating Margin = Operating Profit / Revenue*	*>5%*	*Tested and reported yearly in arrears within 120 days of each accounting reference date based upon figures for the 12 months ending on the relevant accounting reference date*
2a **Free Cash Flow to Net Debt Ratio**	*Free Cash Flow to Net Debt Ratio = Free Cash Flow / Net Debt*	*>5%*	*Tested and reported yearly in arrears within 120 days of each accounting reference date based upon Free Cash Flow for the 12 months ending on, and Net Debt at, the relevant accounting reference date*
2b **Net Debt to EBITDA Ratio**	*Net Debt to EBITDA ratio = Net Debt / EBITDA*	*<3.50*	*Tested and reported yearly in arrears within 120 days of each accounting reference date based upon EBITDA for the 12 months ending on, and Net Debt at, the relevant accounting reference date*
3 **Net Debt + Net Pension Deficit to EBITDA ratio**	*Net Debt + Net Pension Deficit to EBITDA Ratio = (Net Debt + Net Pension Deficit) / EBITDA*	*<5.00*	*Tested and reported yearly in arrears within 120 days of each accounting reference date based upon EBITDA for the 12 months ending on, and the Net Debt and Net Pension Deficit at, the relevant accounting reference date*
4 **Net Interest Paid Cover**	*Net Interest Paid Cover = Earnings Before Interest and Tax / Net Interest Paid*	*>3.00*	*Tested and reported yearly in arrears within 120 days of each accounting reference date based upon figures for the 12 months ending on the relevant accounting reference date*

5 **Acid Ratio**	*Acid Ratio = (Current Assets – Inventories) / Current Liabilities*	*>0.80*	*Tested and reported yearly in arrears within 120 days of each accounting reference date based upon figures at the relevant accounting reference date*
6 **Net Asset value**	*Net Asset Value = Net Assets*	*> £0*	*Tested and reported yearly in arrears within 120 days of each accounting reference based upon figures at the relevant accounting reference date*
7 **Group Exposure Ratio**	*Group Exposure / Gross Assets*	*<50%*	*Tested and reported yearly in arrears within 120 days of each accounting reference date based upon figures at the relevant accounting reference date*

Key: [1] – See 0 of this Schedule which sets out the calculation methodology to be used in the calculation of each Financial Indicator.

5.2 Monitored Suppliers[2]

Monitored Supplier	Applicable Financial Indicators (these are the Financial Indicators from the table in Paragraph 5.1 which are to apply to the Monitored Suppliers)
None identified	

[2] Monitored Supplier is intended to capture any entity other than the Supplier, Key Sub-contractor and Guarantor to whom financial distress mechanisms will apply.

6 TERMINATION RIGHTS

6.1 The Authority shall be entitled to terminate this Agreement under Clause 34.1(b) (*Termination by the Authority*) if:

(a) the Supplier fails to notify the Authority of a Financial Distress Event in accordance with Paragraph 2.3(c);

(b) the Parties fail to agree a Financial Distress Remediation Plan (or any updated Financial Distress Remediation Plan) in accordance with Paragraphs 4.3 to 4.5; and/or

(c) the Supplier fails to comply with the terms of the Financial Distress Remediation Plan (or any updated Financial Distress Remediation Plan) in accordance with Paragraph 4.6(c).

7 PRIMACY OF CREDIT RATINGS

7.1 Without prejudice to the Supplier's obligations and the Authority's rights and remedies under Paragraph 2, if, following the occurrence of a Financial Distress Event pursuant to any of Paragraphs 3.1(b) to 3.3, the Rating Agencies review and report subsequently that the credit ratings for the FDE Group entities do not drop below the relevant Credit Rating Thresholds specified for those entities in Annex 2 of this Schedule, then:

(a) the Supplier shall be relieved automatically of its obligations under Paragraphs 4.3 to 4.6; and

(b) the Authority shall not be entitled to require the Supplier to provide financial information in accordance with Paragraph 4.3(b)(ii).

8 BOARD CONFIRMATION

8.1 If this Agreement has been specified as a Critical Service Contract under Paragraph 10.1 of Part B to Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*) then, subject to Paragraph 8.4 of this Schedule, the Supplier shall within one hundred and twenty (120) days after each Accounting Reference Date or within 15 months of the previous Board Confirmation (whichever is the earlier) provide a Board Confirmation to the Authority in the form set out at Annex 4 of this Schedule, confirming that to the best of the Board's knowledge and belief, it is not aware of and has no knowledge:

(a) that a Financial Distress Event has occurred since the later of the Effective Date or the previous Board Confirmation or is subsisting; or

(b) of any matters which have occurred or are subsisting that could reasonably be expected to cause a Financial Distress Event.

8.1A The Board may delegate the preparation and provision of the Board Confirmation to a suitably authorised delegate subject to the prior written consent of the Authority, which shall not be unreasonably withheld, to the identity of the delegate and the terms of the delegate's authority.

8.2 The Supplier shall ensure that in its preparation of the Board Confirmation it exercises due care and diligence and has made reasonable enquiry of all relevant Supplier Personnel and other persons as is reasonably necessary to understand and confirm the position.

8.3 In respect of the first Board Confirmation to be provided under this Agreement, the Supplier shall provide the Board Confirmation within 15 months of the Effective Date if earlier than the timescale for submission set out in Paragraph 15.16(a) of this Schedule.

8.4 Where the Supplier is unable to provide a Board Confirmation in accordance with Paragraphs 15.16(a) to 8.3 of this Schedule due to the occurrence of a Financial Distress Event or knowledge of subsisting matters which could reasonably be expected to cause a Financial Distress Event, it will be sufficient for the Supplier to submit in place of the Board Confirmation, a statement from the Board of Directors to the Authority (and where the Supplier is a Strategic Supplier, the Supplier shall send a copy of the statement to the Cabinet Office Markets and Suppliers Team) setting out full details of any Financial Distress Events that have occurred and/or the matters which could reasonably be expected to cause a Financial Distress Event.

ANNEX 1: RATING AGENCIES AND THEIR STANDARD RATING SYSTEM

- Moody's

Credit Rating Level 1	Aaa	Credit Rating Level 12	Ba2
Credit Rating Level 2	Aa1	Credit Rating Level 12	Ba3
Credit Rating Level 3	Aa2	Credit Rating Level 14	B1
Credit Rating Level 4	Aa3	Credit Rating Level 15	B2
Credit Rating Level 5	A1	Credit Rating Level 16	B3
Credit Rating Level 6	A2	Credit Rating Level 17	Caa1
Credit Rating Level 7	A3	Credit Rating Level 18	Caa2
Credit Rating Level 8	Baa1	Credit Rating Level 19	Caa3
Credit Rating Level 9	Baa2	Credit Rating Level 20	Ca
Credit Rating Level 10	Baa3	Credit Rating Level 21	C
Credit Rating Level 11	Ba1	Credit Rating Level 22	/
Credit Rating Level 11	BB+	Credit Rating Level 22	D

- Fitch

Credit Rating Level 1	AAA	Credit Rating Level 12	BB
Credit Rating Level 2	AA+	Credit Rating Level 12	BB−
Credit Rating Level 3	AA	Credit Rating Level 14	B+
Credit Rating Level 4	AA−	Credit Rating Level 15	B
Credit Rating Level 5	A+	Credit Rating Level 16	B−
Credit Rating Level 6	A	Credit Rating Level 17	CCC
Credit Rating Level 7	A−	Credit Rating Level 18	DDD
Credit Rating Level 8	BBB+	Credit Rating Level 19	DD
Credit Rating Level 9	BBB	Credit Rating Level 20	D

Credit Rating Level 10	BBB−	Credit Rating Level 21	N/A
Credit Rating Level 11	BB+	Credit Rating Level 22	N/A

ANNEX 2: CREDIT RATINGS AND CREDIT RATING THRESHOLDS[3]

Entity	**Credit Rating (long term)** (insert credit rating issued for the entity at the Effective Date)	**Credit Rating Threshold** *(insert the actual rating (e.g AA-) or the Credit Rating Level (e.g Credit Rating Level 3)*
Supplier	[Redacted]	[Redacted]
	[Redacted]	[Redacted]
[Key Sub-contractor 1]	Not applicable	Not applicable
[Monitored Supplier 1]	Not applicable	Not applicable

[3] Note to Bidders: to be populated during dialogue..

ANNEX 3: CALCULATION METHODOLOGY FOR FINANCIAL INDICATORS

The Supplier shall ensure that it uses the following general and specific methodologies for calculating the Financial Indicators against the Financial Target Thresholds:

General methodology

1. ***Terminology***: The terms referred to in this Annex are those used by UK companies in their financial statements. Where the entity is not a UK company, the corresponding items should be used even if the terminology is slightly different (for example a charity would refer to a surplus or deficit rather than a profit or loss).

2. ***Groups***: Where the entity is the holding company of a group and prepares consolidated financial statements, the consolidated figures should be used.

3. ***Foreign currency conversion***: Figures denominated in foreign currencies should be converted at the exchange rate in force at the relevant date for which the Financial Indicator is being calculated.

4. ***Treatment of non-underlying items***: Financial Indicators should be based on the figures in the financial statements before adjusting for non-underlying items.

Specific Methodology

Financial Indicator	Specific Methodology
1 **Operating Margin**	The elements used to calculate the Operating Margin should be shown on the face of the Income Statement in a standard set of financial statements. Figures for Operating Profit and Revenue should exclude the entity's share of the results of any joint ventures or Associates. Where an entity has an operating loss (i.e. where the operating profit is negative), Operating Profit should be taken to be zero.
2a **Free Cash Flow to Net Debt Ratio**	*"**Free Cash Flow**" = Net Cash Flow from Operating Activities – Capital Expenditure* *"**Capital Expenditure**" = Purchase of property, plant & equipment + purchase of intangible assets* *"**Net Debt**" = Bank overdrafts + Loans and borrowings + Finance Leases + Deferred consideration payable – Cash and cash equivalents* The majority of the elements used to calculate the Free Cash Flow to Net Debt Ratio should be shown on the face

	of the Statement of Cash Flows and the Balance Sheet in a standard set of financial statements. *Net Cash Flow from Operating Activities*: This should be stated after deduction of interest and tax paid. *Capital expenditure*: The elements of capital expenditure may be described slightly differently but will be found under 'Cash flows from investing activities' in the Statement of Cash Flows; they should be limited to the purchase of fixed assets (including intangible assets) for the business and exclude acquisitions. The figure should be shown gross without any deduction for any proceeds of sale of fixed assets. *Net Debt*: The elements of Net Debt may also be described slightly differently and should be found either on the face of the Balance Sheet or in the relevant note to the financial statements. All interest bearing liabilities (other than retirement benefit obligations) should be treated as borrowings as should, where disclosed, any liabilities (less any assets) in respect of any hedges designated as linked to borrowings (but not non-designated hedges). Borrowings should also include balances owed to other group members. Deferred consideration payable should be included in Net Debt despite typically being non-interest bearing. Cash and cash equivalents should include short-term financial investments shown in current assets. Where Net debt is negative (i.e. an entity has net cash), the relevant Financial Target Threshold should be treated as having been met.
2b **Net Debt to EBITDA Ratio**	*"**Net Debt**" = Bank overdrafts + Loans and borrowings + Finance leases + Deferred consideration payable – Cash and cash equivalents* *"**EBITDA**" = Operating profit + Depreciation charge + Amortisation charge* The majority of the elements used to calculate the Net Debt to EBITDA Ratio should be shown on the face of the

	Balance sheet, Income statement and Statement of Cash Flows in a standard set of financial statements but will otherwise be found in the notes to the financial statements. *Net Debt*: The elements of Net Debt may be described slightly differently and should be found either on the face of the Balance Sheet or in the relevant note to the financial statements. All interest bearing liabilities (other than retirement benefit obligations) should be included as borrowings as should, where disclosed, any liabilities (less any assets) in respect of any hedges designated as linked to borrowings (but not non-designated hedges). Borrowings should also include balances owed to other group members. Deferred consideration payable should be included in Net Debt despite typically being non-interest bearing. Cash and cash equivalents should include short-term financial investments shown in current assets. Where Net debt is negative (i.e. an entity has net cash), the relevant Financial Target Threshold should be treated as having been met. *EBITDA*: Operating profit should be shown on the face of the Income Statement and, for the purposes of calculating this Financial Indicator, should include the entity's share of the results of any joint ventures or Associates. *The depreciation and amortisation charges for the period may be found on the face of the Statement of Cash Flows or in a Note to the Accounts. Where EBITDA is negative, the relevant Financial Target Threshold should be treated as not having been met (unless Net Debt is also negative, in which case the relevant Financial Target Threshold should be treated as having been met).*
3 **Net Debt + Net Pension Deficit to EBITDA ratio**	*"**Net Debt**" = Bank overdrafts + Loans and borrowings + Finance leases + Deferred consideration payable – Cash and cash equivalents* *"**Net Pension Deficit**" = Retirement Benefit Obligations – Retirement Benefit Assets* *"**EBITDA**" = Operating profit + Depreciation charge + Amortisation charge* The majority of the elements used to calculate the Net Debt + Net Pension Deficit to EBITDA Ratio should be shown on the face of the Balance sheet, Income statement and Statement of Cash Flows in a standard set of financial

	statements but will otherwise be found in the notes to the financial statements. *Net Debt*: The elements of Net Debt may be described slightly differently and should be found either on the face of the Balance Sheet or in the relevant note to the financial statements. All interest bearing liabilities (other than retirement benefit obligations) should be included as borrowings as should, where disclosed, any liabilities (less any assets) in respect of any hedges designated as linked to borrowings (but *not* non-designated hedges). Borrowings should also include balances owed to other group members. Deferred consideration payable should be included in Net Debt despite typically being non-interest bearing. Cash and cash equivalents should include short-term financial investments shown in current assets. *Net Pension Deficit*: Retirement Benefit Obligations and Retirement Benefit Assets may be shown on the face of the Balance Sheet or in the notes to the financial statements. They may also be described as pension benefits / obligations, post-employment obligations or other similar terms. Where 'Net Debt + Net Pension Deficit' is negative, the relevant Financial Target Threshold should be treated as having been met. *EBITDA*: Operating profit should be shown on the face of the Income Statement and, for the purposes of calculating this Financial Indicator, should include the entity's share of the results of any joint ventures or Associates. The depreciation and amortisation charges for the period may be found on the face of the Statement of Cash Flows or in a Note to the Accounts. Where EBITDA is negative, the relevant Financial Target Threshold should be treated as not having been met (unless 'Net Debt + Net Pension Deficit' is also negative, in which case the relevant Financial Target Threshold should be regarded as having been met).
4 **Net Interest Paid Cover**	*"**Earnings Before Interest and Tax**" = Operating profit* *"**Net Interest Paid**" = Interest paid – Interest received* Operating profit should be shown on the face of the Income Statement in a standard set of financial statements and, for the purposes of calculating this Financial Indicator, should

	include the entity's share of the results of any joint ventures or Associates. Interest received and interest paid should be shown on the face of the Cash Flow statement. Where Net interest paid is negative (i.e. the entity has net interest received), the relevant Financial Target Threshold should be treated as having been met.
5 **Acid Ratio**	All elements that are used to calculate the Acid Ratio are available on the face of the Balance Sheet in a standard set of financial statements.
6 **Net Asset value**	Net Assets are shown (but sometimes not labelled) on the face of the Balance Sheet of a standard set of financial statements. Net Assets are sometimes called net worth or 'Shareholders' Funds'. They represent the net assets available to the shareholders. Where an entity has a majority interest in another entity in which there are also minority or non-controlling interests (i.e. where it has a subsidiary partially owned by outside investors), Net Assets should be taken inclusive of minority or non-controlling interests (as if the entity owned 100% of such entity).
7 **Group Exposure Ratio**	*"**Group Exposure**" = Balances owed by Group Undertakings + Contingent liabilities assumed in support of Group Undertakings* *"**Gross Assets**" = Fixed Assets + Current Assets* *Group Exposure*: Balances owed by (ie receivable from) Group Undertakings are shown within Fixed assets or Current assets either on the face of the Balance Sheet or in the relevant notes to the financial statements. In many cases there may be no such balances, in particular where an entity is not a member of a group or is itself the ultimate holding company of the group. Contingent liabilities assumed in support of Group Undertakings are shown in the Contingent Liabilities note in a standard set of financial statements. They include guarantees and security given in support of the borrowings of other group companies, often as part of group borrowing arrangements. Where the contingent liabilities are capped, the capped figure should be taken as their value. Where no cap or maximum is specified, the relevant Financial Target Threshold should automatically be regarded as not having been met.

	In many cases an entity may not have assumed any contingent liabilities in support of Group Undertakings, in particular where an entity is not a member of a group or is itself the ultimate holding company of the group. *Gross Assets*: Both Fixed assets and Current assets are shown on the face of the Balance Sheet

ANNEX 4: BOARD CONFIRMATION

Supplier Name:

Contract Reference Number:

The Board of Directors acknowledge the requirements set out at paragraph 8 of Schedule 7.4 (*Financial Distress*) and confirm that the Supplier has exercised due care and diligence and made reasonable enquiry of all relevant Supplier Personnel and other persons as is reasonably necessary to enable the Board to prepare this statement.

The Board of Directors confirms, to the best of its knowledge and belief, that as at the date of this Board Confirmation it is not aware of and has no knowledge:

(a) that a Financial Distress Event has occurred since the later of the previous Board Confirmation and the Effective Date or is subsisting; or

(b) of any matters which have occurred or are subsisting that could reasonably be expected to cause a Financial Distress Event

On behalf of the Board of Directors:

Name ……

Role ……...

Signed ……

Date ……

Name ……

Role ……

Signed ……

Date ……

SCHEDULE 7.5

FINANCIAL MATTERS - FINANCIAL REPORTS AND AUDIT RIGHTS

1 DEFINITIONS

1.1 In this Schedule, the following definitions shall apply:

"Annual Contract Report"	the annual contract report to be provided by the Supplier to the Authority pursuant to Paragraph 1 of Part B;
"Audit Agents"	a) the Authority's internal and external auditors; b) the Authority's statutory or regulatory auditors; c) the Comptroller and Auditor General, their staff and/or any appointed representatives of the National Audit Office; d) HM Treasury or the Cabinet Office; e) any party formally appointed by the Authority to carry out audit or similar review functions; and f) successors or assigns of any of the above;
"Contract Amendment Report"	the contract amendment report to be provided by the Supplier to the Authority pursuant to Paragraph 1 of Part B;
"Final Reconciliation Report"	the final reconciliation report to be provided by the Supplier to the Authority pursuant to Paragraph 1 of Part B;
"Financial Model"	the Contract Inception Report, the latest Annual Contract Report or the latest Contract Amendment Report, whichever has been most recently approved by the Authority in accordance with Paragraph 2 of Part B;
"Financial Reports"	the Contract Inception Report and the reports listed in the table in Paragraph 1.1 of Part B;
"Financial Representative"	a reasonably skilled and experienced member of the Supplier's staff who has specific responsibility for preparing, maintaining, facilitating access to,

	discussing and explaining the Open Book Data and Financial Reports;
"Financial Transparency Objectives"	has the meaning given in Paragraph 1 of Part A;
"Material Change"	a Change which: a) materially changes the profile of the Charges; or b) varies the total Charges payable during the Term (as forecast in the latest Financial Model) by: (i) 5% or more; or (ii) £1m or more;
"Onerous Contract"	a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, as defined under International Accounting Standard 37;
"Onerous Contract Report"	means a report provided by the Supplier pursuant to Paragraph 3 of Part A to this Schedule;
"Open Book Data"	complete and accurate financial and non-financial information which is sufficient to enable the Authority to verify the Charges already paid or payable and Charges forecast to be paid during the remainder of the Term, including details and all assumptions relating to: a) the Supplier's Costs broken down against each Service and/or Deliverable, including actual capital expenditure (including capital replacement costs) and the unit cost and total actual costs of all hardware and software; b) operating expenditure relating to the provision of the Services including an analysis showing: (i) the unit costs and quantity of consumables and bought-in services; (ii) manpower resources broken down into the number and grade/role of all

Supplier Personnel (free of any contingency) together with a list of agreed rates against each manpower grade;

(iii) a list of Costs underpinning those rates for each manpower grade, being the agreed rate less the Supplier's Profit Margin; and

(iv) Reimbursable Expenses;

c) Overheads;

d) all interest, expenses and any other third party financing costs incurred in relation to the provision of the Services;

e) the Supplier Profit achieved over the Term and on an annual basis;

f) confirmation that all methods of Cost apportionment and Overhead allocation are consistent with and not more onerous than such methods applied generally by the Supplier;

g) an explanation of the type and value of risk and contingencies associated with the provision of the Services, including the amount of money attributed to each risk and/or contingency; and

h) the actual Costs profile for each Service Period.

PART A: FINANCIAL TRANSPARENCY OBJECTIVES AND OPEN BOOK DATA

1. FINANCIAL TRANSPARENCY OBJECTIVES

1.1 The Supplier acknowledges that the provisions of this Schedule are designed (inter alia) to facilitate, and the Supplier shall co-operate with the Authority in order to achieve, the following objectives:

(a) **Understanding the Charges**

(i) for the Authority to understand any payment sought from it by the Supplier including an analysis of the Costs, Overhead recoveries (where relevant), time spent by Supplier Personnel in providing the Services and the Supplier Profit Margin;

(ii) for both Parties to be able to understand the Financial Model and Cost forecasts and to have confidence that these are based on justifiable numbers and appropriate forecasting techniques;

(iii) to facilitate the use of Guaranteed Maximum Price with Target Cost pricing mechanisms (where relevant as referred to in Schedule 7.1 (*Charges and Invoicing*));

(b) **Agreeing the impact of Change**

(i) for both Parties to agree the quantitative impact of any Changes that affect ongoing costs and to identify how these could be mitigated and/or reflected in the Supplier's Charges;

(ii) for both Parties to be able to review, address issues with and re-forecast progress in relation to the provision of the Services;

(c) **Continuous improvement**

(i) for the Parties to challenge each other with ideas for efficiency and improvements; and

(ii) to enable the Authority to demonstrate that it is achieving value for money for the tax payer relative to current market prices;

(d) for the Authority to understand that the Pension Sharing and Earmarking Orders Charges levied by the Supplier under this Agreement are within the guidelines issued by the Pensions and Lifetime Savings Association as required pursuant to requirement CA15 in Schedule 2.1 (*Services Description*),

(together the "**Financial Transparency Objectives**").

2. OPEN BOOK DATA

2.1 The Supplier acknowledges the importance to the Authority of the Financial Transparency Objectives and the Authority's need for complete transparency in the way in which the Charges are calculated.

2.2 During the Term, and for a period of 7 years following the end of the Term, the Supplier shall:

(a) maintain and retain the Open Book Data; and

(b) disclose and allow the Authority and/or the Audit Agents access to the Open Book Data.

3. ONEROUS CONTRACTS

3.1 If the Supplier publicly designates the Agreement as an Onerous Contract (including where the Supplier has identified the Agreement as such in any published accounts or public reports and announcements), the Supplier shall promptly notify the Authority of the designation and shall prepare and deliver to the Authority within the timescales agreed by the Parties (an in any event, no later than 2 months following the publication of the designation) a draft Onerous Contract Report which includes the following:

(a) An initial root cause analysis of the issues and circumstances which may have contributed to the Agreement being designated as an Onerous Contract;

(b) An initial risk analysis and impact assessment on the provision of the Services as a result of the Supplier's designation of the Agreement as an Onerous Contract;

(c) the measures which the Supplier intends to put in place to minimise and mitigate any adverse impact on the provision on the Services;

(d) details of any other options which could be put in place to remove the designation of the Agreement as an Onerous Contract and/or which could minimise and mitigate any adverse impact on the provision of the Services.

3.2 Following receipt of the Onerous Contract Report, the Authority shall review and comment on the report as soon as reasonably practicable and the Parties shall cooperate in good faith to agree the final form of the report, which shall be submitted to the Quarterly Strategy Board, such final form report to be agreed no later than 1 month following the Authority's receipt of the draft Onerous Contract Report.

3.3 The Quarterly Strategy Board shall meet within 14 Working Days of the final Onerous Contract Report being agreed by the Parties to discuss the contents of the report; and the Parties shall procure the attendance at the meeting of any key participants where reasonably required (including the Cabinet Office Markets and Suppliers team where the Supplier is a Strategic Supplier; representatives from any Key Sub-contractors/Monitored Suppliers; and the project's senior responsible officers (or equivalent) for each Party).

3.4 The Supplier acknowledges and agrees that the report is submitted to the Authority and Quarterly Strategy Board on an information only basis and the Authority and Quarterly Strategy Board's receipt of and comments in relation to the report shall not be deemed to be an acceptance or rejection of the report nor shall it relieve the Supplier of any liability under this Agreement. Any Changes to be agreed by the Parties pursuant to the report shall be subject to the Change Control Procedure.

PART B: FINANCIAL REPORTS

1. PROVISION OF THE FINANCIAL REPORTS

1.1 The Supplier shall provide

(a) the Contract Inception Report on or before the Effective Date; and

(b) during the Term the following financial reports to the Authority, in the frequency specified below:

Financial Report	When to be provided
Contract Amendment Report	Within 1 month of a Material Change being agreed between the Supplier and the Authority
Quarterly Contract Report	Within 1 month of the end of each Quarter
Annual Contract Report	Within 1 month of the end of the Contract Year to which that report relates
Final Reconciliation Report	Within 6 months after the end of the Term

1.2 The Supplier shall provide to the Authority the Financial Reports in the same software package (Microsoft Excel or Microsoft Word), layout and format as the blank templates which have been issued by the Authority to the Supplier on or before the Effective Date for the purposes of this Agreement. The Authority shall be entitled to modify the template for any Financial Report by giving written notice to the Supplier, including a copy of the updated template.

1.3 A copy of each Financial Report shall be held by both the Authority and the Supplier. If there is a Dispute regarding a Financial Report, the Authority's copy of the relevant Financial Report shall be authoritative.

1.4 Each Financial Report shall:

(a) be completed by the Supplier using reasonable skill and care;

(b) incorporate and use the same defined terms as are used in this Agreement;

(c) quote all monetary values in pounds sterling;

(d) quote all Costs as exclusive of any VAT; and

(e) quote all Costs and Charges based on current prices.

1.5 Each Annual Contract Report and the Final Reconciliation Report shall be certified by the Supplier's Chief Financial Officer or Director of Finance (or equivalent as agreed in writing by the Authority in advance of issue of the relevant Financial Report), acting with express authority, as:

(a) being accurate and not misleading;

(b) having been prepared in conformity with generally accepted accounting principles within the United Kingdom;

(c) being a true and fair reflection of the information included within the Supplier's management and statutory accounts; and

(d) compliant with the requirements of Paragraph 1.6.

1.6 The Supplier shall:

(a) prepare each Financial Report using the same methodology as that used for the Contract Inception Report;

(b) ensure that each Annual Contract Report and each Contract Amendment Report (if any) is a true and fair reflection of the Costs and Supplier Profit Margin forecast by the Supplier;

(c) the Final Reconciliation Report is a true and fair reflection of the Costs; and

(d) not have any other internal financial model in relation to the Services inconsistent with the Financial Model.

1.7 During the Term, and for a period of 18 months following the end of the Term, the Supplier shall make available the Financial Representative at reasonable times and on reasonable notice to answer any queries that the Authority may have on any of the Financial Reports and/or Open Book Data.

1.8 If the Supplier becomes aware of the occurrence, or the likelihood of the future occurrence, of an event which will or may have a material effect on the following:

(a) the Costs incurred (or those forecast to be incurred) by the Supplier; and/or

(b) the forecast Charges for the remainder of the Term,

(c) the Supplier shall, as soon as practicable, notify the Authority in writing of the event in question detailing the actual or anticipated effect. For the avoidance of doubt, notifications provided in accordance with this Paragraph 1.8 shall not have the effect of amending any provisions of this Agreement.

2 FINANCIAL MODEL

2.1 Following the delivery by the Supplier of each Annual Contract Report and any Contract Amendment Report:

(a) the Parties shall meet to discuss its contents within 10 Working Days of receipt (or such other period as the Parties shall agree). The Financial Representative shall attend the meeting;

(b) the Supplier shall make appropriate Supplier Personnel and advisers available to discuss any variations between the relevant Financial Report and the Contract Inception Report or immediately preceding Annual Contract Report or Contract Amendment Report (as the case may be) and to explain such variations (with reference to supporting evidence) to the satisfaction of the Authority; and

(c) the Authority shall either within 10 Working Days of the meeting referred to in Paragraph (a) notify the Supplier that:

(i) the relevant Financial Report contains errors or omissions or that further explanations or supporting information is required, in which event the Supplier shall make any necessary modifications to the Financial Report and/or supply the Authority with such supporting evidence as is required to address the Authority's concerns within 10 Working Days of such notification and the Authority shall following receipt of such amended Financial Report and/or supporting information, approve or reject such Financial Report; or

(ii) the Authority has approved the relevant Financial Report.

2.2 Following approval by the Authority of the relevant Financial Report in accordance with Paragraph 2.1(c), that version shall become, with effect from the date of such approval, the current approved version of the Financial Model for the purposes of this Agreement, a version of which shall be held by both the Authority and the Supplier. If there is a Dispute regarding a Financial Report, the Authority's copy of the relevant Financial Report shall be authoritative.

2.3 If the Parties are unable to reach agreement on any Financial Report within 30 Working Days of its receipt by the Authority, the matter shall be referred for determination in accordance with Schedule 8.3 (*Dispute Resolution Procedure*).

3 DISCUSSION OF QUARTERLY CONTRACT REPORTS AND FINAL RECONCILIATION REPORT

3.1 Following the delivery by the Supplier of each Quarterly Contract Report, the Parties shall meet to discuss its contents within 10 Working Days of receipt (or such other period as the Parties shall agree). The Financial Representative shall attend the meeting.

3.2 Following the delivery by the Supplier of the Final Reconciliation Report, the Parties shall meet to discuss its contents within 10 Working Days of receipt (or such other period as the Parties shall agree). The Financial Representative shall attend the meeting.

4 KEY SUB CONTRACTORS

4.1 The Supplier shall, if requested by the Authority, provide (or procure the provision of) a report or reports including the level of information set out in the Financial Reports in relation to the costs and expenses to be incurred by any of its Key Sub-contractors.

4.2 Without prejudice to Paragraph 1.1 of Part C, the Supplier shall:

(a) be responsible for auditing the financial models/reports of its Key Sub-contractors and for any associated costs and expenses incurred or forecast to be incurred; and

(b) on written request by the Authority, provide the Authority or procure that the Authority is provided with:

(i) full copies of audit reports for the Key Sub-contractors. The Authority shall be entitled to rely on such audit reports; and

(ii) further explanation of, and supporting information in relation to, any audit reports provided.

5 PENSIONS SHARING AND EARMARKING ORDER CHARGES

5.1 The Supplier will report to the Authority on a monthly basis the Pensions Sharing and Earmarking Order Charges that it has charged to Members, including the amount charged in relation to each type of payment.

PART C: AUDIT RIGHTS

1 AUDIT RIGHTS

1.1 The Authority, acting by itself or through its Audit Agents, shall have the right during the Term and for a period of 18 months thereafter, to assess compliance by the Supplier and/or its Key Sub-contractors of the Supplier's obligations under this Agreement, including for the following purposes:

(a) to verify the integrity and content of any Financial Report;

(b) to verify the accuracy of the Charges and any other amounts payable by the Authority under this Agreement (and proposed or actual variations to such Charges and payments);

(c) to verify the Costs (including the amounts paid to all Sub-contractors and any third party suppliers);

(d) to verify the Certificate of Costs and/or the Open Book Data;

(e) to verify the Supplier's and each Key Sub-contractor's compliance with this Agreement and applicable Law;

(f) to identify or investigate actual or suspected fraud, impropriety or accounting mistakes or any breach or threatened breach of security and in these circumstances the Authority shall have no obligation to inform the Supplier of the purpose or objective of its investigations;

(g) to identify or investigate any circumstances which may impact upon the financial stability of the Supplier and/or any Key Sub-contractors or their ability to perform the Services;

(h) to obtain such information as is necessary to fulfil the Authority's obligations to supply information for parliamentary, ministerial, judicial or administrative purposes including the supply of information to the Comptroller and Auditor General;

(i) to review any books of account and the internal contract management accounts kept by the Supplier in connection with this Agreement;

(j) to carry out the Authority's internal and statutory audits and to prepare, examine and/or certify the Authority's annual and interim reports and accounts;

(k) to enable the National Audit Office to carry out an examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources;

(l) to verify the accuracy and completeness of any Management Information delivered or required by this Agreement;

(m) to review any Performance Monitoring Reports and/or other records relating to the Supplier's performance of the Services and to verify that these reflect the Supplier's own internal reports and records;

(n) to inspect the IT Environment (or any part of it) and the wider service delivery environment (or any part of it);

(o) to review the accuracy and completeness of the Registers;

(p) to review any records created during the design and development of the Supplier System and pre-operational environment such as information relating to Testing;

(q) to review the Supplier's quality management systems (including all relevant Quality Plans and any quality manuals and procedures);

(r) to review the Supplier's compliance with the Standards;

(s) to inspect the Authority Assets, including the Authority's IPRs, equipment and facilities, for the purposes of ensuring that the Authority Assets are secure and that any register of assets is up to date;

(t) to review the integrity, confidentiality and security of the Authority Data; and/or

(u) to verify that the Pension Sharing and Earmarking Orders Charges are within the guidelines issued by the Pensions and Lifetime Savings Association as required pursuant to requirement CA15 in Schedule 2.1 (*Services Description*).

1.2 Except where an audit is imposed on the Authority by a regulatory body or where the Authority has reasonable grounds for believing that the Supplier has not complied with its obligations under this Agreement, the Authority may not conduct an audit of the Supplier or of the same Key Sub-contractor more than twice in any Contract Year.

1.3 Nothing in this Agreement shall prevent or restrict the rights of the Comptroller and/or Auditor General and/or their representatives from carrying out an audit, examination or investigation of the Supplier and/or any of the Key Sub-contractors for the purposes of and pursuant to applicable Law.

2 CONDUCT OF AUDITS

2.1 The Authority shall during each audit comply with those security, sites, systems and facilities operating procedures of the Supplier that the Authority deems reasonable and use its reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the Supplier or delay the provision of the Services.

2.2 Subject to the Authority's obligations of confidentiality, the Supplier shall on demand provide the Authority and the Audit Agents with all reasonable co-operation and assistance (and shall procure such co-operation and assistance from its Sub-contractors) in relation to each audit, including:

(a) all information requested by the Authority within the permitted scope of the audit;

(b) reasonable access to any Sites and to any equipment used (whether exclusively or non-exclusively) in the performance of the Services;

(c) access to the Supplier System; and

(d) access to Supplier Personnel.

2.3 The Supplier shall implement all measurement and monitoring tools and procedures necessary to measure and report on the Supplier's performance of the Services against the applicable Performance Indicators at a level of detail sufficient to verify compliance with the Performance Indicators.

2.4 The Authority shall endeavour to (but is not obliged to) provide at least 15 Working Days' notice of its intention to conduct an audit.

2.5 The Parties agree that they shall bear their own respective costs and expenses incurred in respect of compliance with their obligations under this Paragraph 2, unless the audit identifies a material Default by the Supplier in which case the Supplier shall reimburse the Authority for all the Authority's reasonable costs incurred in connection with the audit.

3 USE OF SUPPLIER'S INTERNAL AUDIT TEAM

3.1 As an alternative to the Authority's right pursuant to Paragraph 1.1 to exercise an audit either itself or through its Audit Agents, the Authority may require in writing that an audit is undertaken by the Supplier's own internal audit function for any of the purposes set out in Paragraph 1.1.

3.2 Following the receipt of a request from the Authority under Paragraph 3.1 above, the Supplier shall procure that the relevant audit is undertaken as soon as reasonably practicable and that the Authority has unfettered access to:

(a) the resultant audit reports; and

(b) all relevant members of the Supplier's internal audit team for the purpose of understanding such audit reports.

4 RESPONSE TO AUDITS

4.1 If an audit undertaken pursuant to Paragraphs 1 or 3 identifies that:

(a) the Supplier has committed a Default, the Authority may (without prejudice to any rights and remedies the Authority may have) require the Supplier to correct such Default as soon as reasonably practicable and, if such Default constitutes a Notifiable Default, to comply with the Rectification Plan Process;

(b) there is an error in a Financial Report, the Supplier shall promptly rectify the error;

(c) the Authority has overpaid any Charges, the Supplier shall pay to the Authority:

(i) the amount overpaid;

(ii) interest on the amount overpaid at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a daily basis from the date of overpayment by the Authority up to the date of repayment by the Supplier; and

(iii) the reasonable costs incurred by the Authority in undertaking the audit,

(iv) the Authority may exercise its right to deduct such amount from the Charges if it prefers; and

(d) the Authority has underpaid any Charges, the Supplier shall not be entitled to increase the Charges paid or payable by the Authority.

SCHEDULE 7.6

FINANCIAL MATTERS - ANTICIPATED SAVINGS

This Schedule has been intentionally left blank and does not require completion prior to contract award.

This Schedule defines the key benefit categories in which savings are anticipated.

Ref.	Benefit Category	Indicative amount (£k)	Timescale
1	*[E.g. - Reduction in Service Charges as Service delivery becomes more efficient and effective.* *Benefit realisation is measured against [a 2026/27 baseline.]*	£[amount] per annum	Contract Years [x] to [y]
2	*[E.g. - Improvements in Authority staff productivity from using more flexible and agile services that match the needs of the business.* *Benefits realisation is measured against a baseline of 4,000 directly employed staff in 2026/27.]*	£[amount] year on year improvement ([x]% productivity increase)	Contract Years [x] to [y]
3	*[E.g. - Reduced electrical power consumption arising from adoption of new low energy technology.* *Benefit realisation is measured against a 2026/27 baseline.]*	£[amount] per annum	Contract Years [x] to [y]]

SCHEDULE 8

GOVERNANCE

SCHEDULE 8.1

GOVERNANCE - GOVERNANCE

1 DEFINITIONS

1.1 In this Schedule, the following definitions shall apply:

"Board Member"	the initial persons appointed by the Authority and Supplier to the Boards as set out in (i) and any replacements from time to time agreed by the Parties in accordance with Paragraph 3.3;
"Boards"	the Service Delivery Board, Quarterly Strategy Board, Executive Review and Risk Committee and "**Board**" shall mean any of them;
"Project Managers"	the individuals appointed as such by the Authority and the Supplier in accordance with Paragraph 2;
"Quarterly Strategy Board"	the body described in Paragraph 5;
"Risk Committee"	the body described in Paragraph 7;
"Service Delivery Board"	the body described in Paragraph 4; and
"Executive Review"	the body described in Paragraph 6.

2 MANAGEMENT OF THE SERVICES

2.1 The Supplier and the Authority shall each appoint a project manager for the purposes of this Agreement through whom the Services shall be managed at a day-to-day.

2.2 Both Parties shall ensure that appropriate resource is made available on a regular basis such that the aims, objectives and specific provisions of this Agreement can be fully realised.

3 BOARDS

Establishment and structure of the Boards

3.1 The Boards shall be established by the Authority for the purposes of this Agreement on which both the Supplier and the Authority shall be represented.

3.2 In relation to each Board, the:

(a) Authority Board Members;

(b) Supplier Board Members;

(c) frequency that the Board shall meet (unless otherwise agreed between the Parties);

(d) location of the Board's meetings; and

(e) planned start date by which the Board shall be established,

shall be as set out in Annex 1.

3.3 In the event that either Party wishes to replace any of its appointed Board Members, that Party shall notify the other in writing of the proposed change for agreement by the other Party (such agreement not to be unreasonably withheld or delayed). Notwithstanding the foregoing it is intended that each Authority Board Member has at all times a counterpart Supplier Board Member of equivalent seniority and expertise.

Board meetings

3.4 Each Party shall ensure that its Board Members shall make all reasonable efforts to attend Board meetings at which that Board Member's attendance is required. If any Board Member is not able to attend a Board meeting, that person shall use all reasonable endeavours to ensure that:

(a) a delegate attends the relevant Board meeting in his/her place who (wherever possible) is properly briefed and prepared; and

(b) that he/she is debriefed by such delegate after the Board Meeting.

3.5 A chairperson shall be appointed by the Authority for each Board as identified in Annex 1. The chairperson shall be responsible for:

(a) scheduling Board meetings;

(b) setting the agenda for Board meetings and circulating to all attendees in advance of such meeting;

(c) chairing the Board meetings;

(d) monitoring the progress of any follow up tasks and activities agreed to be carried out following Board meetings;

(e) ensuring that minutes for Board meetings are recorded and disseminated electronically to the appropriate persons and to all Board meeting participants within seven Working Days after the Board meeting; and

(f) facilitating the process or procedure by which any decision agreed at any Board meeting is given effect in the appropriate manner.

3.6 Board meetings shall be quorate as long as at least two representatives from each Party are present.

3.7 The Parties shall ensure, as far as reasonably practicable, that all Boards shall as soon as reasonably practicable resolve the issues and achieve the objectives placed before them. Each Party shall endeavour to ensure that Board Members are empowered to make relevant decisions or have access to empowered individuals for decisions to be made to achieve this.

4 ROLE OF THE SERVICE DELIVERY BOARD

4.1 The Service Delivery Board shall be responsible for reviewing the Service delivery and performance obligations and shall:

(a) ensure delivery of services to agreed standards as outlined in contract;

(b) provide updates by exception, including key risks, issues, news and decisions to be made;

(c) review key themes and initiatives as agreed by forum;

(d) review of contractual performance measures and manage key client management issues;

(e) present horizon scanning topic to focus on issues that potentially affect the TPS (including but not limited to innovation ideas, legislation, political changes reviews of processes and market changes);

(f) provide a resolution forum for any service-related issues;

(g) promptly own and deal with all escalated risks and issues to clear all barriers to ensure mutual success;

(h) review the status of the overall change activity and resolve appropriate issues; escalate any unresolved issues to the Quarterly Strategy Board; and

(i) promote collaboration in developing best practice operational discipline. This includes joint initiatives to promote more effective change.

5 ROLE OF THE QUARTERLY STRATEGY BOARD

5.1 The Quarterly Strategy Board shall:

(a) provide a shared management strategic forum to ensure that each party continually and consistently performs its obligations under the contract;

(b) ensure that any material changes to the Services or the contractual obligations of either party are processed and managed through the Change Control Procedure and implemented as agreed;

(c) oversee the strategic direction and management of the contract;

(d) provide responsibility for the agreement and the relationship between the two parties; and

(e) carry out the specific obligations attributed to it in Paragraph 5.2.

5.2 The Quarterly Strategy Board shall:

(a) manage and implement the performance of the Parties' respective roles and responsibilities under the Agreement;

(b) manage risks by reviewing the reports and recommendations made by the Risk Committee;

(c) manage opportunities for improvement outlined in the Service Improvement Strategy (SIS);

(d) provide an escalation point for service improvements not able to be approved and/or continued via the Service Delivery Board;

(e) monitor the achievement of the agreed continuous improvements via SIS review and acting as a point of escalation for the Service Delivery Board;

(f) the most senior members from each organisation will have the authority to resolve account level issues and to deal with business-as-usual challenges that may be escalated from the Service Delivery Board;

(g) receipt and review of benchmarking, survey activities conducted in accordance with the Agreement;

(h) review business proposals as submitted by the Supplier prior to a Change Request being made;

(i) delegate any powers it considers appropriate to the Service Delivery Boards and provide advice and direction to them;

(j) review benefit realisation (whether financial or Outcome based) that relates to the terms of the Agreement;

(k) review major Change Requests and Change Authorisation Notes;

(l) ensure continued business alignment between the Authority and the Supplier;

(m) provide direction and quick decision making on issues raised by the Service Delivery Board;

(n) direct the Service Delivery Board, holding it accountable for delivery across all work streams; and

(o) discuss any other matters which the Authority or Supplier wish to raise.

6 ROLE OF THE EXECUTIVE REVIEW

6.1 Not used.

6.2 The Executive Review shall:

(a) ensure strategic alignment between the parties, and oversee new services or modifications to Services;

(b) review and provide strategic direction associated with major service and programme changes;

(c) review the overall relationship and performance at a senior executive level to ensure that each party's strategic objectives continue to be met;

(d) review, discuss and resolve issues and disputes escalated from the Quarterly Strategy Board;

(e) resolve any proposed changes to the commercial terms applicable to this Agreement, or where appropriate any other financial matters between the parties, including where requested by the Quarterly Strategy Board;

(f) review and make decisions when referred by the Quarterly Strategy Board;

(g) act as the most senior level of escalation for contractual issues;

(h) provide a high-level communication forum for matters of joint interest;

(i) examine how the partnership across the multiple contracts between Authority and the Supplier should develop; and

(j) inform the six monthly reviews on progress regarding on-going pension reform activities and how the Supplier supports the Authority in this key area.

7 ROLE OF THE RISK COMMITTEE

7.1 The Risk Committee shall identify and manage risks relating to the performance of the Services.

7.2 The Risk Committee shall:

(a) provide oversight and advice to the Quarterly Strategy Board on current risk exposures and future risk strategy and provide assurance to the Quarterly Strategy Board that risks are being effectively managed across the Services, including reporting the 'top 5' risks;

(b) identify the risks to be reported to the Quarterly Strategy Board via the regular risk reports;

(c) record, classify and categorise all risks associated with the provision of the Services;

(i) agree actions and mitigation to reduce known risks to an acceptable level;

(ii) subject to the Change Control Procedure, accept or reject new risks proposed for inclusion in the Risk Register;

(iii) ratify or refuse requests to close risks on the Risk Register;

(iv) identify risks relating to or arising out of the performance of the Services and provisional owners of these risks; and

(v) review of the reports submitted to them by the Supplier pursuant to requirement MS6 of Section 13.3 (Modern Slavery) of Schedule 2.1 (*Services Description*).

8 CONTRACT MANAGEMENT MECHANISMS

8.1 Both Parties shall pro-actively manage risks attributed to them under the terms of this Agreement.

8.2 The Supplier shall develop, operate, maintain and amend, as agreed with the Authority, processes for:

(a) the identification and management of risks;

(b) the identification and management of issues; and

(c) monitoring and controlling project plans.

(d) The Risk Register shall be updated by the Supplier and submitted for review by the Risk Committee.

9 ANNUAL REVIEW

9.1 An annual review meeting shall be held throughout the Term on a date to be agreed between the Parties.

9.2 The meetings shall be attended by the:

9.2.1 the representatives of the Supplier specified below;

(a) TP Account Director

(b) Platforms Segment head

(c) Governance Director

(d) Operations Director

(e) Senior Contract Manager

(f) Commercial Director

(g) IT Director

(h) T & T Director for Contract Year 1 and Contract Year 2..

9.2.2 the representatives of the Authority specified below:

(a) Deputy Director (SRO) chair of the meeting;

(b) Head of Supplier Management;

(c) Senior Contract Manager;

(d) Senior Category Manager (DfE Commercial); and

(e) Category Manager (DfE Commercial); and

9.2.3 any other persons considered by the Authority necessary for the review.

ANNEX 1: REPRESENTATION AND STRUCTURE OF BOARDS

Service Delivery Board

Authority Members of Service Delivery Board	Senior Contract Manager [individual TBC by the Authority] (Chairperson) Contract Manager [individual TBC by the Authority] Senior Finance and Risk Manager [individual TBC by the Authority]
Supplier Members of Service Delivery Board	TPS Account Director [Redacted] Operations Director [Redacted] Governance Director [Redacted] IT Director [Redacted] T&T Director [Redacted] Continuous Improvement Manager[Redacted] Commercial Director [Redacted] Heads of Functions (as needed)
Start Date for Service Delivery Board meetings	[TBC]
Frequency of Service Delivery Board meetings	Monthly
Location of Service Delivery Board meetings	[TBC]

Quarterly Strategy Board

Authority members of Quarterly Strategy Board	Head of Planning and Assurance [individual TBC by the Authority] (Chairperson) Head of Policy and Governance [individual TBC by the Authority]

	Senior Contract Manager [individual TBC by the Authority] Senior Finance and Risk Manager [individual TBC by the Authority]
Supplier members of Quarterly Strategy Board	TCS Exec Sponsor [Redacted] TPS Account Director [Redacted] Operations Director [Redacted] Governance Director [Redacted] IT Director [Redacted] T&T Director [Redacted] Commercial Director [Redacted] Secretariat [Redacted] Secretariat - TBC
Start date for Quarterly Strategy Board meetings	[TBC]
Frequency of Quarterly Strategy Board meetings	Quarterly
Location of Quarterly Strategy Board meetings	[TBC]

Executive Review

Authority Members of Executive Review	Teachers' Pension Scheme Deputy Director [individual TBC by the Authority] (Chairperson)
Supplier Members of Executive Review	[TBC]
Start Date for Executive Review meetings	[TBC]
Frequency of Executive Review meetings	Six Monthly
Location of Executive Review meetings	[TBC]

Risk Committee

Authority Members for Risk Committee	Senior Finance and Risk Manager [individual TBC by the Authority] (Chairperson) Senior Contract Manager [individual TBC by the Authority] Contract Manager [individual TBC by the Authority] Policy Lead [insert name]
Supplier Members for Risk Committee	TPS Account Director [Redacted] Operations Director [Redacted] Governance Director [Redacted] IT Director [Redacted] T&T Director [Redacted] Secretariat - TBC
Start Date for Risk Committee meetings	[TBC]
Frequency of Risk Committee meetings	Monthly
Location of Risk Committee meetings	[TBC]

SCHEDULE 8.2

GOVERNANCE - CHANGE CONTROL PROCEDURE

1 DEFINITIONS

1.1 In this Schedule, the following definitions shall apply:

"Authority Change Manager"	the person appointed to that position by the Authority from time to time and notified in writing to the Supplier or, if no person is notified, the Authority Representative;
"Change Request"	a written request for a Contract Change which shall be substantially in the form of 0;
"Change Communication"	any Change Request, Impact Assessment, Change Authorisation Note or other communication sent or required to be sent pursuant to this Schedule;
"Fast-track Change"	any Contract Change which the Parties agree to expedite in accordance with Paragraph 8;
"Impact Assessment"	an assessment of a Change Request in accordance with Paragraph 5;
"Impact Assessment Estimate"	has the meaning given in Paragraph 4.3;
"Receiving Party"	the Party which receives a proposed Contract Change; and
"Supplier Change Manager"	the person appointed to that position by the Supplier from time to time and notified in writing to the Authority or, if no person is notified, the Supplier Representative.

2 GENERAL PRINCIPLES OF CHANGE CONTROL PROCEDURE

2.1 This Schedule sets out the procedure for dealing with Changes.

2.2 Operational Changes shall be processed in accordance with Paragraph 9. If either Party is in doubt about whether a change falls within the definition of an Operational Change, then it must be processed as a Contract Change.

2.3 The Parties shall deal with Contract Change as follows:

(a) either Party may request a Contract Change which they shall initiate by issuing a Change Request in accordance with Paragraph 4;

(b) unless this Agreement otherwise requires, the Supplier shall assess and document the potential impact of a proposed Contract Change in accordance with Paragraph 5 before the Contract Change can be either approved or implemented;

(c) the Authority shall have the right to request amendments to a Change Request, approve it or reject it in the manner set out in Paragraph 6;

(d) the Supplier shall have the right to reject a Change Request solely in the manner set out in Paragraph 7;

(e) save as otherwise provided in this Agreement, no proposed Contract Change shall be implemented by the Supplier until a Change Authorisation Note has been signed and issued by the Authority in accordance with Paragraph 6.2; and

(f) if a proposed Contract Change is a Fast-track Change, it shall be processed in accordance with Paragraph 8.

2.4 To the extent that any Contract Change requires testing and/or a programme for implementation, then the Parties shall follow the procedures set out in Schedule 6.2 (*Testing Procedures*), and, where appropriate, the Change Authorisation Note relating to such a Contract Change shall specify Milestones and/or a Key Milestone and Milestone Date(s) in respect of such Contract Change for the purposes of such procedures.

2.5 Until a Change Authorisation Note has been signed and issued by the Authority in accordance with Paragraph 6.2, then:

(a) unless the Authority expressly agrees (or requires) otherwise in writing, the Supplier shall continue to supply the Services in accordance with the existing terms of this Agreement as if the proposed Contract Change did not apply; and

(b) any discussions, negotiations or other communications which may take place between the Authority and the Supplier in connection with any proposed Contract Change, including the submission of any Change Communications, shall be without prejudice to each Party's other rights under this Agreement.

2.6 The Supplier shall:

(a) within 10 Working Days of the Authority's signature and issue of a Change Authorisation Note, deliver to the Authority a copy of this Agreement updated to reflect all Contract Changes agreed in the relevant Change Authorisation Note and annotated with a reference to the Change Authorisation Note pursuant to which the relevant Contract Changes were agreed; and

(b) thereafter provide to the Authority such further copies of the updated Agreement as the Authority may from time to time request.

3 **COSTS**

3.1 Subject to Paragraph (d):

(a) the costs of preparing each Change Request shall be borne by the Party making the Change Request; and

(b) the costs incurred by the Supplier in undertaking an Impact Assessment shall be borne by the Party making the Change Request provided that the Authority shall not be required to pay any such costs if:

(i) such costs are below £10,000

(ii) the Supplier is able to undertake the Impact Assessment by using resources already deployed in the provision of the Services; or

(iii) such costs exceed those in the accepted Impact Assessment Estimate.

(c) The cost of any Contract Change shall be calculated and charged in accordance with the principles and day rates set out in Annex 1 (Pricing Mechanism) of Schedule 7.1 (*Charges and Invoicing*). The Supplier shall be entitled to increase the Charges only if it can demonstrate in the Impact Assessment that the proposed Contract Change requires additional resources and, in any event, any change to the Charges resulting from a Contract Change (whether the change will cause an increase or a decrease in the Charges) will be strictly proportionate to the increase or decrease in the level of resources required for the provision of the Services as amended by the Contract Change.

(d) Both Parties' costs incurred in respect of any use of this Change Control Procedure as a result of any error or Default by the Supplier shall be paid for by the Supplier.

4 CHANGE REQUEST

4.1 Either Party may issue a Change Request to the other Party at any time during the Term. A Change Request shall be substantially in the form of 0 and state whether the Party issuing the Change Request considers the proposed Contract Change to be a Fast-track Change.

4.2 If the Supplier issues the Change Request, then it shall also provide an Impact Assessment to the Authority as soon as is reasonably practicable but in any event within 10 Working Days of the date of issuing the Change Request.

4.3 If the Authority issues the Change Request, then the Supplier shall provide as soon as reasonably practical and in any event within ten (10) Working Days of the date of receiving the Change Request an estimate ("**Impact Assessment Estimate**") of the cost of preparing an Impact Assessment and the timetable for preparing it. The timetable shall provide for the completed Impact Assessment to be received by the Authority within ten (10) Working Days of

acceptance of the Impact Assessment Estimate or within any longer time period agreed by the Authority.

4.4 If the Authority accepts an Impact Assessment Estimate then following receipt of notice of such acceptance the Supplier shall provide the completed Impact Assessment to the Authority as soon as is reasonably practicable and in any event within the period agreed in the Impact Assessment Estimate. If the Supplier requires any clarification in relation to the Change Request before it can deliver the Impact Assessment, then it shall promptly make a request for clarification to the Authority and provided that sufficient information is received by the Authority to fully understand:

(a) The nature of the request for clarification; and

(b) The reasonable justification for the request;

the time period to complete the Impact Assessment shall be extended by the time taken by the Authority to provide that clarification. The Authority shall respond to the request for clarification as soon as is reasonably practicable.

5 IMPACT ASSESSMENT

5.1 Each Impact Assessment shall be completed in good faith and shall include:

(a) details of the proposed Contract Change including the reason for the Contract Change; and

(b) details of the impact of the proposed Contract Change on the Services, the Optional Services (if any) and the Supplier's ability to meet its other obligations under this Agreement;

(c) any variation to the terms of this Agreement that will be required as a result of that impact, including changes to:

(i) the Services Description, the Performance Indicators and/or the Target Performance Levels;

(ii) the format of Authority Data, as set out in the Services Description;

(iii) the Milestones, Implementation Plan and any other timetable previously agreed by the Parties;

(iv) other services provided by third party contractors to the Authority, including any changes required by the proposed Contract Change to the Authority's IT infrastructure;

(d) details of the cost of implementing the proposed Contract Change;

(e) details of the ongoing costs required by the proposed Contract Change when implemented, including any increase or decrease in the Charges, any alteration in the resources and/or expenditure required by either Party and any alteration to the working practices of either Party;

(f) a timetable for the implementation, together with any proposals for the testing of the Contract Change;

(g) details of how the proposed Contract Change will ensure compliance with any applicable Change in Law; and

(h) such other information as the Authority may reasonably request in (or in response to) the Change Request.

5.2 If the Contract Change involves the processing or transfer of any Personal Data outside the European Economic Area, the preparation of the Impact Assessment shall also be subject to Clause 24 (*Protection of Personal Data*).

5.3 Subject to the provisions of Paragraph 5.4, the Authority shall review the Impact Assessment and respond to the Supplier in accordance with Paragraph 6 within 15 Working Days of receiving the Impact Assessment, it.

5.4 If the Authority is the Receiving Party and the Authority reasonably considers that it requires further information regarding the proposed Contract Change so that it may properly evaluate the Change Request and the Impact Assessment, then within 5 Working Days of receiving the Impact Assessment, it shall notify the Supplier of this fact and detail the further information that it requires. The Supplier shall then re-issue the relevant Impact Assessment to the Authority within 10 Working Days of receiving such notification. At the Authority's discretion, the Parties may repeat the process described in this Paragraph 5.4 until the Authority is satisfied that it has sufficient information to properly evaluate the Change Request and Impact Assessment.

5.5 The calculation of costs for the purposes of Paragraphs 5.1(d) and 5.1(e) shall:

(a) be based on the Financial Model;

(b) facilitate the Financial Transparency Objectives;

(c) include estimated volumes of each type of resource to be employed and the applicable rate card;

(d) include full disclosure of any assumptions underlying such Impact Assessment;

(e) include evidence of the cost of any assets required for the Change; and

(f) include details of any new Sub-contracts necessary to accomplish the Change.

6 AUTHORITY'S RIGHT OF APPROVAL

6.1 Within 15 Working Days of receiving the Impact Assessment from the Supplier or within 10 Working Days of receiving the further information that it may request pursuant to Paragraph 5.4, the Authority shall evaluate the Change Request and the Impact Assessment and shall do one of the following:

(a) approve the proposed Contract Change, in which case the Parties shall follow the procedure set out in Paragraph 6.2;

(b) in its absolute discretion reject the Contract Change, in which case it shall notify the Supplier of the rejection. The Authority shall not reject any proposed Contract Change to the extent that the Contract Change is necessary for the Supplier or the Services to comply with any Changes in Law. If the Authority does reject a Contract Change, then it shall explain its reasons in writing to the Supplier as soon as is reasonably practicable following such rejection; or

(c) in the event that it reasonably believes that a Change Request or Impact Assessment contains errors or omissions, require the Supplier to modify the relevant document accordingly, in which event the Supplier shall make such modifications within 5 Working Days of such request. Subject to Paragraph 5.4, on receiving the modified Change Request and/or Impact Assessment, the Authority shall approve or reject the proposed Contract Change within 10 Working Days.

6.2 If the Authority approves the proposed Contract Change pursuant to Paragraph 6.1 and it has not been rejected by the Supplier in accordance with Paragraph 7, then it shall inform the Supplier and the Supplier shall prepare two copies of a Change Authorisation Note which it shall sign and deliver to the Authority for its signature. Following receipt by the Authority of the Change Authorisation Note, it shall sign both copies and return one copy to the Supplier. On the Authority's signature the Change Authorisation Note shall constitute (or, where the Authority has agreed to or required the implementation of a Change prior to signature of a Change Authorisation Note, shall constitute confirmation of) a binding variation to this Agreement.

6.3 If the Authority does not sign the Change Authorisation Note within 10 Working Days, then the Supplier shall have the right to notify the Authority and if the Authority does not sign the Change Authorisation Note within 5 Working Days of such notification, then the Supplier may refer the matter to the Expedited Dispute Timetable pursuant to the Dispute Resolution Procedure.

7 SUPPLIER'S RIGHT OF APPROVAL

7.1 Following an Impact Assessment, if:

(a) the Supplier reasonably believes that any proposed Contract Change which is requested by the Authority would:

(i) materially and adversely affect the risks to the health and safety of any person; and/or

(ii) require the Services to be performed in a way that infringes any Law; and/or

(b) the Supplier demonstrates to the Authority's reasonable satisfaction that the proposed Contract Change is technically impossible to implement and neither the Supplier Solution nor the Services

Description state that the Supplier does have the technical capacity and flexibility required to implement the proposed Contract Change,

then the Supplier shall be entitled to reject the proposed Contract Change and shall notify the Authority of its reasons for doing so within 5 Working Days after the date on which it is obliged to deliver the Impact Assessment pursuant to Paragraph 4.3.

8 FAST-TRACK CHANGES

8.1 The Parties acknowledge that to ensure operational efficiency there may be circumstances where it is desirable to expedite the processes set out above.

8.2 If:

(a) the total number of Contract Changes in relation to which this Fast-track Change procedure has been applied does not exceed 4 in any 12 month period; and

(b) both Parties agree the value of the proposed Contract Change over the remaining Term and any period for which Termination Services may be required does not exceed £2,500 and the proposed Contract Change is not significant (as determined by the Authority acting reasonably),

then the Parties shall confirm to each other in writing that they shall use the process set out in Paragraphs 4, 5, 6 and 7 but with reduced timescales, such that any period of 15 Working Days is reduced to 5 Working Days, any period of 10 Working Days is reduced to 2 Working Days and any period of 5 Working Days is reduced to 1 Working Day.

8.3 The Parties may agree in writing to revise the parameters set out in Paragraph 8.2 from time to time or that the Fast-track Change procedure shall be used in relation to a particular Contract Change notwithstanding that the total number of Contract Changes to which such procedure is applied will then exceed 4 in a 12 month period.

9 OPERATIONAL CHANGE PROCEDURE

9.1 Any Operational Changes identified by the Supplier to improve operational efficiency of the Services may be implemented by the Supplier without following the Change Control Procedure for proposed Contract Changes provided they do not:

(a) have an impact on the business of the Authority;

(b) require a change to this Agreement;

(c) have a direct impact on use of the Services; or

(d) involve the Authority in paying any additional Charges or other costs.

9.2 The Authority may request an Operational Change by submitting a written request for Operational Change ("**RFOC**") to the Supplier Representative.

9.3 The RFOC shall include the following details:

9.4 the proposed Operational Change; and

9.5 the time-scale for completion of the Operational Change.

9.6 The Supplier shall inform the Authority of any impact on the Services that may arise from the proposed Operational Change.

9.7 The Supplier shall complete the Operational Change by the timescale specified for completion of the Operational Change in the RFOC, and shall promptly notify the Authority when the Operational Change is completed.

10 COMMUNICATIONS

10.1 For any Change Communication to be valid under this Schedule, it must be sent to either the Authority Change Manager or the Supplier Change Manager, as applicable. The provisions of Clause 45 (*Notices*) shall apply to a Change Communication as if it were a notice.

ANNEX 1: CHANGE REQUEST FORM

CR NO.:	TITLE:	TYPE OF CHANGE:
CONTRACT:	REQUIRED BY DATE:	
ACTION:	NAME:	DATE:
RAISED BY:		
AREA(S) IMPACTED (*OPTIONAL FIELD*):		
ASSIGNED FOR IMPACT ASSESSMENT BY:		
ASSIGNED FOR IMPACT ASSESSMENT TO:		
SUPPLIER REFERENCE NO.:		
FULL DESCRIPTION OF REQUESTED CONTRACT CHANGE (INCLUDING PROPOSED CHANGES TO THE WORDING OF THE CONTRACT):		
DETAILS OF ANY PROPOSED ALTERNATIVE SCENARIOS:		
REASONS FOR AND BENEFITS AND DISADVANTAGES OF REQUESTED CONTRACT CHANGE:		
SIGNATURE OF REQUESTING CHANGE OWNER:		
DATE OF REQUEST:		

ANNEX 2: CHANGE AUTHORISATION NOTE

CR NO.:	TITLE:	DATE RAISED:
CONTRACT:	TYPE OF CHANGE:	REQUIRED BY DATE:
[KEY MILESTONE DATE: [*if any*]]		
DETAILED DESCRIPTION OF CONTRACT CHANGE FOR WHICH IMPACT ASSESSMENT IS BEING PREPARED AND WORDING OF RELATED CHANGES TO THE CONTRACT:		
PROPOSED ADJUSTMENT TO THE CHARGES RESULTING FROM THE CONTRACT CHANGE:		
DETAILS OF PROPOSED ONE-OFF ADDITIONAL CHARGES AND MEANS FOR DETERMINING THESE (E.G. FIXED PRICE BASIS):		

SIGNED ON BEHALF OF THE AUTHORITY:	SIGNED ON BEHALF OF THE SUPPLIER:
Signature:_____	Signature:_____
Name:_____	Name:_____
Position:_____	Position:_____
Date:_____	Date:_____

SCHEDULE 8.3

GOVERNANCE - DISPUTE RESOLUTION PROCEDURE

1 DEFINITIONS

1.1 In this Schedule, the following definitions shall apply:

"CEDR"	the Centre for Effective Dispute Resolution of International Dispute Resolution Centre, 70 Fleet Street, London, EC4Y 1EU;
"Counter Notice"	has the meaning given in Paragraph 7.2;
"Expert"	in relation to a Dispute, a person appointed in accordance with Paragraph 6.2 to act as an expert in relation to that Dispute;
"Expert Determination"	determination by an Expert in accordance with Paragraph 6;
"Mediation Notice"	has the meaning given in Paragraph 4.2;
"Mediator"	the independent third party appointed in accordance with Paragraph 5.2 to mediate a Dispute;
"Multi-Party Dispute"	a Dispute which involves the Parties and one or more Related Third Parties;
"Multi-Party Dispute Representatives"	has the meaning given in Paragraph 9.6;
"Multi-Party Dispute Resolution Board"	has the meaning given in Paragraph 9.6;
"Related Third Party"	a party to: a) another contract with the Authority or the Supplier which is relevant to this Agreement; or b) a Sub-contract; and
"Supplier Request"	a notice served by the Supplier requesting that the Dispute be treated as a Multi-Party Dispute, setting out its grounds for that request and specifying each Related Third Party that it believes should be

involved in the Multi-Dispute Resolution Procedure in respect of that Dispute.

2 DISPUTE NOTICES

2.1 If a Dispute arises then:

(a) the Authority Representative and the Supplier Representative shall attempt in good faith to resolve the Dispute; and

(b) if such attempts are not successful within a reasonable period, not being longer than 20 Working Days, either Party may issue to the other a Dispute Notice.

2.2 A Dispute Notice:

(a) shall set out:

(i) the material particulars of the Dispute;

(ii) the reasons why the Party serving the Dispute Notice believes that the Dispute has arisen; and

(iii) if the Party serving the Dispute Notice believes that the Dispute should be dealt with under the Expedited Dispute Timetable, the reason why; and

(b) may specify in accordance with the requirements of Paragraphs 9.2 and 9.3 that the Party issuing the Dispute Notice has determined (in the case of the Authority) or considers (in the case of the Supplier) that the Dispute is a Multi-Party Dispute, in which case Paragraph 2.3 shall apply.

2.3 If a Dispute Notice specifies that the Dispute has been determined or is considered to be a Multi-Party Dispute pursuant to Paragraph 2.2(b), then:

(a) if it is served by the Authority it shall be treated as a Multi-Party Procedure Initiation Notice; and

(b) if it is served by the Supplier it shall be treated as a Supplier Request,

and in each case the provisions of Paragraph 9 shall apply.

2.4 Subject to Paragraphs 2.5 and 3.2 and so long as the Authority has not served a Multi-Party Procedure Initiation Notice in respect of the relevant Dispute, following the issue of a Dispute Notice the Parties shall seek to resolve the Dispute:

(a) first by commercial negotiation (as prescribed in Paragraph 4);

(b) then, if either Party serves a Mediation Notice, by mediation (as prescribed in Paragraph 5); and

(c) lastly by recourse to arbitration (as prescribed in Paragraph 7) or litigation (in accordance with Clause 47 (*Governing Law and Jurisdiction*)).

2.5 Specific issues shall be referred to Expert Determination (as prescribed in Paragraph 6) where specified under the provisions of this Agreement and may also be referred to Expert Determination where otherwise appropriate as specified in Paragraph 6.1.

2.6 Unless agreed otherwise in writing, the Parties shall continue to comply with their respective obligations under this Agreement regardless of the nature of the Dispute and notwithstanding any issue of a Dispute Notice or a Multi-Party Procedure Initiation Notice or proceedings under Paragraph 8 (*Urgent Relief*).

3 EXPEDITED DISPUTE TIMETABLE

3.1 In exceptional circumstances where the use of the times in this Schedule would be unreasonable, including (by way of example) where one Party would be materially disadvantaged by a delay in resolving the Dispute, the Parties may agree to use the Expedited Dispute Timetable. If the Parties are unable to reach agreement on whether to use the Expedited Dispute Timetable within 5 Working Days of the issue of a Dispute Notice, the use of the Expedited Dispute Timetable shall be at the sole discretion of the Authority.

3.2 If the Expedited Dispute Timetable is to be used pursuant to the provisions of Paragraph 3.1 or is otherwise specified under the provisions of this Agreement, then the following periods of time shall apply in lieu of the time periods specified in the applicable Paragraphs:

(a) in Paragraph 4.2(c), 10 Working Days;

(b) in Paragraph 5.2, 10 Working Days;

(c) in Paragraph 6.2, 5 Working Days; and

(d) in Paragraph 7.2, 10 Working Days.

3.3 If at any point it becomes clear that an applicable deadline cannot be met or has passed, the Parties may (but shall be under no obligation to) agree in writing to extend the deadline. If the Parties fail to agree within 2 Working Days after the deadline has passed, the Authority may set a revised deadline provided that it is no less than 5 Working Days before the end of the period of time specified in the applicable paragraphs (or 2 Working Days in the case of Paragraph 6.2). Any agreed extension shall have the effect of delaying the start of the subsequent stages by the period agreed in the extension. If the Authority fails to set such a revised deadline then the use of the Expedited Dispute Timetable shall cease and the normal time periods shall apply from that point onwards.

4 COMMERCIAL NEGOTIATION

4.1 Following the service of a Dispute Notice, then, so long as the Authority has not served a Multi-Party Procedure Initiation Notice in respect of the relevant Dispute, the Authority and the Supplier shall make reasonable endeavours to

resolve the Dispute as soon as possible by commercial negotiation between the Authority's Senior Contract Manager (SCM) and the role to be confirmed by the Supplier as soon as possible (and in any event within thirty (30) days after the Effective Date.

4.2 If:

(a) either Party is of the reasonable opinion that the resolution of a Dispute by commercial negotiation, or the continuance of commercial negotiation, will not result in an appropriate solution;

(b) the Parties have already held discussions of a nature and intent (or otherwise were conducted in the spirit) that would equate to the conduct of commercial negotiation in accordance with this Paragraph 4; or

(c) the Parties have not settled the Dispute in accordance with Paragraph 4.1 within 30 Working Days of service of the Dispute Notice,

either Party may serve a written notice to proceed to mediation in accordance with Paragraph 5 (a "**Mediation Notice**").

5 MEDIATION

5.1 If a Mediation Notice is served, the Parties shall attempt to resolve the dispute in accordance with the version of CEDR's Model Mediation Procedure which is current at the time the Mediation Notice is served (or such other version as the Parties may agree).

5.2 If the Parties are unable to agree on the joint appointment of an independent person to mediate the Dispute within 20 Working Days from (and including) the service of a Mediation Notice then either Party may apply to CEDR to nominate such a person.

5.3 If the Parties are unable to reach a settlement in the negotiations at the mediation, and only if both Parties so request and the Mediator agrees, the Mediator shall produce for the Parties a non-binding recommendation on terms of settlement. This shall not attempt to anticipate what a court might order but shall set out what the Mediator suggests are appropriate settlement terms in all of the circumstances.

5.4 Any settlement reached in the mediation shall not be legally binding until it has been reduced to writing and signed by, or on behalf of, the Parties (in accordance with the Change Control Procedure where appropriate). The Mediator shall assist the Parties in recording the outcome of the mediation.

6 EXPERT DETERMINATION

6.1 If a Dispute relates to any aspect of the technology underlying the provision of the Services or otherwise relates to a technical matter of an IT, accounting or financing nature and the Dispute has not been resolved by commercial negotiation in accordance with Paragraph 4 or, if applicable, mediation in accordance with Paragraph 5, then either Party may by written notice to the

other request (agreement to which request shall not be unreasonably withheld or delayed) that the Dispute be referred to an expert for determination.

6.2 The expert shall be appointed by agreement in writing between the Parties, but in the event of a failure to agree within 10 Working Days of the relevant request made pursuant to Paragraph 6.1, or if the person appointed is unable or unwilling to act, the expert shall be appointed:

(a) if the Dispute relates to any aspect of the technology underlying the provision of the Services or a matter of an IT technical nature, on the instructions of the President of the British Computer Society (or any other association that has replaced the British Computer Society);

(b) if the Dispute relates to a matter of a financial technical nature, on the instructions of the President of the Institute of Chartered Accountants of England and Wales; or

(c) if the Dispute relates to a matter of a technical nature not falling within Paragraphs 6.2(a) or (b), on the instructions of the president (or equivalent) of:

(i) an appropriate body agreed between the Parties; or

(ii) if the Parties do not reach agreement on the relevant body within 15 Working Days of the relevant request made pursuant to Paragraph 6.1, such body as may be specified by the President of the Law Society on application by either Party.

6.3 The Expert shall act on the following basis:

(a) he/she shall act as an expert and not as an arbitrator and shall act fairly and impartially;

(b) the Expert's determination shall (in the absence of a material failure to follow the agreed procedures) be final and binding on the Parties;

(c) the Expert shall decide the procedure to be followed in the determination and shall be requested to make his/her determination within 30 Working Days of his appointment or as soon as reasonably practicable thereafter and the Parties shall assist and provide the documentation that the Expert requires for the purpose of the determination;

(d) any amount payable by one Party to another as a result of the Expert's determination shall be due and payable within 20 Working Days of the Expert's determination being notified to the Parties;

(e) the process shall be conducted in private and shall be confidential; and

(f) the Expert shall determine how and by whom the costs of the determination, including his/her fees and expenses, are to be paid.

7 ARBITRATION

7.1 Subject to compliance with their obligations under Paragraph 4.1 and to the provisions of Paragraph 6, either Party may at any time before court proceedings are commenced refer the Dispute to arbitration in accordance with the provisions of Paragraph 7.5.

7.2 Before the Supplier commences court proceedings or arbitration, it shall serve written notice on the Authority of its intentions and the Authority shall have 15 Working Days following receipt of such notice to serve a reply (a "**Counter Notice**") on the Supplier requiring the Dispute to be referred to and resolved by arbitration in accordance with Paragraph 7.5 or be subject to the exclusive jurisdiction of the courts of England and Wales. The Supplier shall not commence any court proceedings or arbitration until the expiry of such 15 Working Day period.

7.3 If the Authority serves a Counter Notice, then:

(a) if the Counter Notice requires the Dispute to be referred to arbitration, the provisions of Paragraph 7.5 shall apply; or

(b) if the Counter Notice requires the Dispute to be subject to the exclusive jurisdiction of the courts of England and Wales, the Dispute shall be so referred to those courts and the Supplier shall not commence arbitration proceedings.

7.4 If the Authority does not serve a Counter Notice within the 15 Working Day period referred to in Paragraph 7.2, the Supplier may either commence arbitration proceedings in accordance with Paragraph 7.5 or commence court proceedings in the Courts of England and Wales which shall (in those circumstances) have exclusive jurisdiction.

7.5 The Parties hereby confirm that if any arbitration proceedings are commenced pursuant to Paragraphs 7.1 to 7.4:

(a) the Dispute shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration ("**LCIA**") (subject to Paragraphs 7.5(e), (f) and (g));

(b) the arbitration shall be administered by the LCIA;

(c) the LCIA procedural rules in force at the date that the Dispute was referred to arbitration shall be applied and are deemed to be incorporated by reference into this Agreement and the decision of the arbitrator shall be binding on the Parties in the absence of any material failure to comply with such rules;

(d) if the Parties fail to agree the appointment of the arbitrator within 10 Working Days from the date on which arbitration proceedings are commenced or if the person appointed is unable or unwilling to act, the arbitrator shall be appointed by the LCIA;

(e) the chair of the arbitral tribunal shall be British;

(f) the arbitration proceedings shall take place in London and in the English language; and

(g) the seat of the arbitration shall be London.

8 URGENT RELIEF

8.1 Either Party may at any time take proceedings or seek remedies before any court or tribunal of competent jurisdiction:

(a) for interim or interlocutory remedies in relation to this Agreement or infringement by the other Party of that Party's Intellectual Property Rights; and/or

(b) where compliance with Paragraph 2.1 and/or referring the Dispute to mediation may leave insufficient time for that Party to commence proceedings before the expiry of the limitation period.

9 MULTI-PARTY DISPUTES

9.1 All Multi-Party Disputes shall be resolved in accordance with the procedure set out in this Paragraph 9 (the "**Multi-Party Dispute Resolution Procedure**").

9.2 If at any time following the issue of a Dispute Notice, the Authority reasonably considers that the matters giving rise to the Dispute involve one or more Related Third Parties, then the Authority shall be entitled to determine that the Dispute is a Multi-Party Dispute and to serve a notice on the Supplier which sets out the Authority's determination that the Dispute is a Multi-Party Dispute and specifies the Related Third Parties which are to be involved in the Multi-Party Dispute Resolution Procedure, such notice a "**Multi-Party Procedure Initiation Notice**".

9.3 If following the issue of a Dispute Notice but before the Dispute has been referred to Expert Determination or to arbitration in accordance with Paragraph 7, the Supplier has reasonable grounds to believe that the matters giving rise to the Dispute have been contributed to by one or more Related Third Parties, the Supplier may serve a Supplier Request on the Authority.

9.4 The Authority shall (acting reasonably) consider each Supplier Request and shall determine within 5 Working Days whether the Dispute is:

(a) a Multi-Party Dispute, in which case the Authority shall serve a Multi-Party Procedure Initiation Notice on the Supplier; or

(b) not a Multi-Party Dispute, in which case the Authority shall serve written notice of such determination upon the Supplier and the Dispute shall be treated in accordance with Paragraphs 3 to 8.

9.5 If the Authority has determined, following a Supplier Request, that a Dispute is not a Multi-Party Dispute, the Supplier may not serve another Supplier Request with reference to the same Dispute.

9.6 Following service of a Multi-Party Procedure Initiation Notice a Multi-Party Dispute shall be dealt with by a board (in relation to such Multi-Party Dispute,

the "**Multi-Party Dispute Resolution Board**") comprising representatives from the following parties to the Multi-Party Dispute, each of whom shall be of a suitable level of seniority to finalise any agreement with the other parties to settle the Multi-Party Dispute:

(a) the Authority;

(b) the Supplier;

(c) each Related Third Party involved in the Multi-Party Dispute; and

(d) any other representatives of any of the Parties and/or any Related Third Parties whom the Authority considers necessary,

(together "**Multi-Party Dispute Representatives**").

9.7 The Parties agree that the Multi-Party Dispute Resolution Board shall seek to resolve the relevant Multi-Party Dispute in accordance with the following principles and procedures:

(a) the Parties shall procure that their Multi-Party Dispute Representatives attend, and shall use their best endeavours to procure that the Multi-Party Dispute Representatives of each Related Third Party attend, all meetings of the Multi-Party Dispute Resolution Board in respect of the Multi-Party Dispute;

(b) the Multi-Party Dispute Resolution Board shall first meet within 10 Working Days of service of the relevant Multi-Party Procedure Initiation Notice at such time and place as the Parties may agree or, if the Parties do not reach agreement on the time and place within 5 Working Days of service of the relevant Multi-Party Procedure Initiation Notice, at the time and place specified by the Authority, provided such place is at a neutral location within England and that the meeting is to take place between 9.00am and 5.00pm on a Working Day; and

(c) in seeking to resolve or settle any Multi-Party Dispute, the members of the Multi-Party Dispute Resolution Board shall have regard to the principle that a Multi-Party Dispute should be determined based on the contractual rights and obligations between the Parties and the Related Third Parties and that any apportionment of costs should reflect the separate components of the Multi-Party Dispute.

9.8 If a Multi-Party Dispute is not resolved between the Parties and all Related Third Parties within 25 Working Days of the issue of the Multi-Party Procedure Initiation Notice (or such longer period as the Parties may agree in writing), then:

(a) either Party may serve a Mediation Notice in respect of the Multi-Party Dispute in which case Paragraph 5 shall apply;

(b) either Party may request that the Multi-Party Dispute is referred to an expert in which case Paragraph 6 shall apply; and/or

(c) subject to Paragraph 9.9, Paragraph 7 shall apply to the Multi-Party Dispute,

and in each case references to the “Supplier” or the “Parties” in such provisions shall include a reference to all Related Third Parties.

9.9 If a Multi-Party Dispute is referred to arbitration in accordance with Paragraph 7 or a Dispute becomes a Multi-Party Dispute during the course of arbitration proceedings and either Party is unable to compel a Related Third Party to submit to such arbitration proceedings, the Authority or the Supplier may discontinue such arbitration proceedings and instead initiate court proceedings. The costs of any such discontinued arbitration proceedings shall be borne by the Party which is in a direct contractual relationship with the Related Third Party or, where the Related Third Party is a Sub Contractor, by the Supplier.

SCHEDULE 8.4

GOVERNANCE - REPORTS AND RECORDS PROVISIONS

1 TRANSPARENCY REPORTS

1.1 Within three (3) months of the Implementation Services Commencement Date the Supplier shall provide to the Authority for its approval (such approval not to be unreasonably withheld or delayed) draft reports in accordance with Annex 1 (once approved, the "**Transparency Reports**").

1.2 If the Authority rejects any draft Transparency Report, the Supplier shall submit a revised version of the relevant report for further approval by the Authority within five (5) days of receipt of any notice of rejection, taking account of any recommendations for revision and improvement to the report provided by the Authority. If the Parties fail to agree on a draft Transparency Report the Authority shall determine what should be included.

1.3 The Supplier shall provide accurate and up-to-date versions of each Transparency Report to the Authority at the frequency referred to in Annex 1.

1.4 Any disagreement in connection with the preparation and/or approval of Transparency Reports, other than under paragraph 1.2 above in relation to the contents of a Transparency Report, shall be treated as a Dispute.

1.5 The requirements for Transparency Reports are in addition to any other reporting requirements in this Agreement.

2 OTHER REPORTS

2.1 The Authority may require any or all of the following reports:

(a) delay reports;

(b) reports relating to Testing and tests carried out under Schedule 2.4 (*Security Management*) and Schedule 8.6 (*Service Continuity Plan and Corporate Resolution Planning*);

(c) reports which the Supplier is required to supply as part of the Management Information;

(d) annual reports on the Insurances;

(e) security reports; and

(f) Force Majeure Event reports.

3 RECORDS

3.1 The Supplier shall retain and maintain all the records (including superseded records) referred to in Paragraph 1, Annex 2 and Annex 3 (together "**Records**"):

(a) in accordance with the requirements of The National Archives and Good Industry Practice;

(b) in chronological order;

(c) in a form that is capable of audit; and

(d) at its own expense.

3.2 The Supplier shall make the Records available for inspection to the Authority on request, subject to the Authority giving reasonable notice.

3.3 Where Records are retained in electronic form, the original metadata shall be preserved together with all subsequent metadata in a format reasonably accessible to the Authority.

3.4 The Supplier shall, during the Term and a period of at least 7 years following the expiry or termination of this Agreement, maintain or cause to be maintained complete and accurate documents and records in relation to the provision of the Services including but not limited to all Records.

3.5 Records that contain financial information shall be retained and maintained in safe storage by the Supplier for a period of at least 7 years after the expiry or termination of this Agreement.

3.6 Without prejudice to the foregoing, the Supplier shall provide the Authority:

(a) as soon as they are available,

(i) and in any event within 60 Working Days after the end of the first 6 months of each financial year of the Supplier during the Term, a copy, certified as a true copy by an authorised representative of the Supplier, of its un-audited interim accounts and, if applicable, of consolidated un-audited interim accounts of the Supplier and its Affiliates which would (if the Supplier were listed on the London Stock Exchange (whether or not it is)) be required to be sent to shareholders as at the end of and for each such 6 month period; or

(ii) and in any event within 30 Working Days after the end of each Quarter during the Term, a copy, certified as a true copy by an authorised representative of the Supplier, of its audited Quarterly accounts and if applicable, of the consolidated audited accounts of the Supplier and its Affiliates in respect of that period together with copies of all related directors' and auditors' reports and all other notices/circulars to shareholders;

and

(iii) as soon as they shall have been sent to its shareholders in order to be laid before an annual general meeting of the Supplier, but not later than 130 Working Days after the end of each accounting reference period of the Supplier part or

all of which falls during the Term, the Supplier's audited accounts and if applicable, of the consolidated audited accounts of the Supplier and its Affiliates in respect of that period together with copies of all related directors' and auditors' reports and all other notices/circulars to shareholders.

4 Virtual Library

4.1 The Supplier shall, no later than eight (8) weeks prior to the Operational Service Commencement Date and without charge to the Authority, create a Virtual Library on which the Supplier shall (subject to any applicable legislation governing the use or processing of personal data) make information about this Agreement available in in accordance with the requirements outlined in this Schedule.

4.2 The Supplier shall ensure that the Virtual Library is:

(a) capable of holding and allowing access to the information described in Annex 3 of this Schedule and includes full and accurate file details of all uploaded items including date and time of upload, version number and the name of the uploader;

(b) structured so that each document uploaded has a unique identifier which is automatically assigned;

(c) readily accessible by the Authority at all times in full via a user-friendly, password protected interface to such nominated users as are notified to the Supplier by the Authority from time to time,

(d) structured so as to allow nominated users to download either specific documents or the complete Virtual Library (to the extent it has Access Permission) in bulk and store and view the content offline (on a regular and automated basis);

(e) structured and maintained in accordance with the security requirements as set out in this Agreement including those set out in Schedule 2.4 (*Security Management*);

(f) created and based on open standards in Schedule 2.3 (*Standards*); and

(g) backed up on a secure off-site system.

4.3 For the avoidance of doubt, the Virtual Library (excluding any Software used to host it) shall form a database which constitute Project Specific IPR which shall be assigned to the Authority pursuant to Clause 17.1 (*Specially Written Software and Project Specific IPR*) of this Agreement.

4.4 The Supplier shall upload complete and accurate information specified in 0 by the Initial Upload Date (except where prior to the launch of the Virtual Library in which case the date at which the Virtual Library is made available in accordance with Paragraph 4.1) onto Virtual Library in the format specified. Notwithstanding the foregoing, in the event that the date specified in the 'Initial

Upload Date' column of Annex 3 falls before the date on which the Virtual Library is to be made available by the Supplier in accordance with Paragraph 4.1, the Supplier shall: (a) still be required to provide an electronic copy of the relevant document to the Authority on or before the date specified in the 'Initial Upload Column' by using an alternative electronic communication method reasonably acceptable to the Authority; and (b) subsequently upload each such document to the Virtual Library on the date on which the Virtual Library is to be made available as referred to above.

4.5 Upon any document being uploaded to the Virtual Library, and where the Authority has been granted Access Permission to that document, the Supplier shall email on the same date as the upload, a copy of the document to the nominated Authority email address at:

4.6 [Redacted]Except for notices under Clause 45.4 or items covered by Clause 45.6, where the Supplier is under an obligation to provide information to the Authority in a provision under this Agreement, then the Supplier's upload of that information onto the Virtual Library shall satisfy the Supplier's obligation to provide the Authority with that information provided that the Authority has access in accordance with this paragraph 4 and the uploaded information meets the requirements more particularly specified in the relevant provision.

4.7 Except to the extent that the requirements provide for earlier and more regular Authority access to up-to-date information, Annex 3 shall not take precedence over any other obligation to provide information in this Agreement and the Supplier shall refer to the applicable clause for further details as to the requirement.

4.8 The Suppler shall provide each specified person (as set out in column 6 of the table at Annex 3) access to view and download the specified information in the Virtual Library in Annex 3 subject upon the occurrence of the event specified in the column marked Access Permission in Annex 3 to this Schedule.

4.9 Where Access Permission is not listed (in column 6 of the table at Annex 3) as being subject to the occurrence of a certain event the Supplier shall grant access to the person and information specified (in column 6 of the table at Annex 3) from the Initial Upload Date.

4.10 Where Access Permission is specified as being granted to the Authority's Third Party Auditor (prior to the Authority being granted access) it shall:

(a) be entitled to access, view and download information specified in the table at Annex 3 subject to it entering into a confidentiality agreement with the Supplier to keep the contents confidential (except to the extent disclosure of the confidential information is required under paragraph 4.10(b) of this Schedule); and

(b) report to the Authority (at its request) as to the completeness and accuracy of the information but not the substance of the information.

4.11 The Supplier shall ensure that the Virtual Library retains in an accessible form all historic or superseded records of the information specified in the table at Annex 3. In order to maintain the integrity of the historic archive of the

information and documentation and for the purposes of maintaining a clear audit trail, the Supplier shall not delete or overwrite any information that has been stored in the Virtual Library, except for the purposes of maintenance (provided no information is lost during maintenance) or to enable the Supplier to comply with Data Protection Legislation.

4.12 The Supplier warrants that the information uploaded to the Virtual Library is accurate, complete, up-to-date and in accordance with this Agreement at the date of upload.

4.13 Where the Supplier becomes aware that any of the information provided on the Virtual Library is materially inaccurate, incomplete or out of date (other than in respect of historic versions of documents) the Supplier shall provide an update to the information within fourteen (14) days unless already due to be updated beforehand due to an Update Requirement specified in the table at Annex 3.

4.14 In the event of a conflict between any requirement in this Agreement (excluding Annex 3) for the Supplier to provide information to the Authority and the requirements set out in the table at Annex 3 of this Schedule, the requirement elsewhere in this Agreement shall prevail.

4.15 The Supplier shall ensure that all approved users of the Virtual Library are alerted by email each time that information in the Virtual Library is uploaded or updated as it occurs.

4.16 No later than one (1) Month prior to the Operational Services Commencement Date, the Supplier shall provide training manuals to the Authority relating to the use of the Virtual Library.

4.17 On request by the Authority the Supplier shall provide the Authority's nominated users with a reasonable level of training and ongoing support to enable them to make use of the Virtual Library.

4.18 For the avoidance of doubt, the cost of any redactions, access restrictions or compliance with the Data Protection Legislation in respect of the information hosted on the Virtual Library shall be at the Supplier's own cost and expense.

ANNEX 1: TRANSPARENCY REPORTS

TITLE	CONTENT	FORMAT	FREQUENCY
SLA1 (See Schedule 2.2 (Performance Levels), Appendix 1 (Service Levels and KPIs))	Retirement Benefit Payments	See Schedule 2.2 (Performance Levels), Part C (Performance Monitoring), Paragraph 2.1 (Records).	Monthly
SLA2 (See Schedule 2.2 (Performance Levels), Appendix 1 (Service Levels and KPIs))	Pension Payments	See Schedule 2.2 (Performance Levels), Part C (Performance Monitoring), Paragraph 2.1 (Records).	Monthly
SLA4b (See Schedule 2.2 (Performance Levels), Appendix 1 (Service Levels and KPIs))	Teacher Death (death in service)	See Schedule 2.2 (Performance Levels), Part C (Performance Monitoring), Paragraph 2.1 (Records).	Monthly
(Charges)	[ ]	[ ]	[ ]
(Major sub-contractors)	[ ]	[ ]	[ ]
(Technical)	[ ]	[ ]	[ ]

ANNEX 2: RECORDS TO BE KEPT AND MAINTAINED BY THE SUPPLIER

The records to be kept and maintained by the Supplier are:

1. This Agreement, its Schedules and all amendments to such documents.
2. All other documents which this Agreement expressly requires to be prepared.
3. Records relating to the appointment and succession of the Supplier Representative and each member of the Key Personnel.
4. Notices, reports and other documentation submitted by any Expert.
5. All operation and maintenance manuals prepared by the Supplier for the purpose of maintaining the provision of the Services and the underlying IT Environment and Supplier Equipment.
6. Documents prepared by the Supplier or received by the Supplier from a third party relating to a Force Majeure Event.
7. All formal notices, reports or submissions made by the Supplier to the Authority Representative in connection with the provision of the Services.
8. All certificates, licences, registrations or warranties in each case obtained by the Supplier in relation to the provision of the Services.
9. Documents prepared by the Supplier in support of claims for the Charges.
10. Documents submitted by the Supplier pursuant to the Change Control Procedure.
11. Documents submitted by the Supplier pursuant to invocation by it or the Authority of the Dispute Resolution Procedure.
12. Documents evidencing any change in ownership or any interest in any or all of the shares in the Supplier, where such change may cause a change of Control; and including documents detailing the identity of the persons changing such ownership or interest.
13. Invoices and records related to VAT sought to be recovered by the Supplier.
14. Financial records, including audited and un-audited accounts of the Supplier.
15. Records required to be retained by the Supplier by Law, including in relation to health and safety matters and health and safety files and all consents.
16. All documents relating to the insurances to be maintained under this Agreement and any claims made in respect of them.
17. All journals and audit trail data referred to in Schedule 2.4 (*Security Management Plan*).
18. All other records, notices or certificates required to be produced and/or maintained by the Supplier pursuant to this Agreement.

19. The Calculation Records.

ANNEX 3: RECORDS TO UPLOAD TO VIRTUAL LIBRARY

Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
Cl.5.5 (e), (f) 17.1(a), 17.2(a)(ii)	Documentation	As appropriate and agreed by the Authority	Within seven (7) days of the issue of a Milestone Achievement Certificate in respect of the relevant Deliverable.	-	Authority
Cl 14.3	Key Personnel	Sch 9.2	Effective Date	On replacement of Key Personnel	Authority
Sch 2.2, Part C, Para 4.3	Performance Monitoring Report and the Balanced Scorecard Report	Sch 2.2, Part C	Implementation Service Commencement Date	Within ten (10) Working Days of the end of each Service Period	Authority
Sch 2.4, Para 4.4	Security Management Plan	Sch 2.4	Within 20 Working Days of the Implementation Services Commencement Date	Regular review and at least annually	Authority

Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
Sch 2.4, Para 6.1, 6.2 and 6.3	Security certificates	As appropriate and agreed by the Authority	Prior to receiving, storing or processing any Authority Data	-	-
Sch 2.5, Para 4	Evidence of Insurances	Sch 2.5	Effective Date	Within fifteen (15) days after policy renewal or replacement	Authority
Cl 22	Commercially Sensitive Information	Sch 4.2	Effective Date	Upon Agreement by the Authority to vary the information	Authority and/or Auditor
Cl 15.7	Notified Key Subcontractors	Sch 4.3	Effective Date	On replacement of key subcontractor	Authority
Cl 15.5	Third Party Contracts	Sch 4.4	Effective Date	On appointment of subcontract	Authority
Cl 15.6	Notified Key Sub-Contractors	Sch 4.3	Effective Date	With each approved appointment or variation	Authority

Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
Cl 15.23	Supply chain Transparency Information Reports	Sch 8.4, Annex 4	thirty days prior to the of the end of each financial year	Every twelve (12) months	Authority
Cl 16,17	Software	Sch 5	Operational Services Commencement Date	Upon Agreement by the Authority to vary the information	Authority
Cl 6.4	Detailed Implementation Plan	Sch 6	Within 20 Working Days of Implementation Services Commencement Date	Every 3 months from the Implementation Services Commencement Date	Authority
Sch 6.2, Para 4	Test Strategy	As appropriate and agreed by the Authority	Within 20 Working Days of Implementation Services Commencement Date	Upon update to the test strategy	Authority
Sch 6.2, Para 5	Test Plan	As appropriate and agreed by the Authority	20 prior Working Days of relevant test	Upon update to the test plan	Authority

Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
Sch 6.2, Para 8	Test Specification	As appropriate and agreed by the Authority	10 prior Working Days of relevant test	Upon update to the test specification	Authority
Sch 6.2, Para 8	Test Report	As appropriate and agreed by the Authority	2 Working Days prior to the date on which the test is planned to end for the Draft Test Report 5 days for the Final Test Report following the relevant test completion	Reissue with each retest	Authority
Sch 7, Part E Para 1.1	Template Invoice	As appropriate and agreed by the Authority	Within 25 Working Days of the Effective Date	Upon Agreement by the Authority to vary the template	Authority
Sch 7, Annex 4	Risk Register	Sch 7, Annex 4	Effective Date	Upon Agreement by the Authority to vary the by the Risk Committee	Authority
Sch 7.3, Para 5	Benchmarking Plan	Sch 7.3	Upon receipt from Benchmarker	Approval of Plan	Authority and Auditor

Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
Sch 7.3, Para 5	Benchmarking report	Sch 7.3	Upon receipt from Benchmarker	Any update	Authority and Auditor
Sch 7.4 Para 2.3(b)	Financial Indicator Reports	Sch 7.4 para 2.5	As specified in para 2.3(b) of Sch 7.4	As specified in para 2.3(b) of Sch 7.4	Authority
Sch 7.4 Para 4.3(b)	Financial Distress Remediation Plan	As appropriate and agreed by the Authority	As soon as reasonably practicable and in any event within 10 Working Days of initial notification or awareness of a Financial Distress Event	On a regular basis (not less than fortnightly)	Authority
Sch 7.5, Part B, para 1.2	Contract Amendment Report	Sch 7.5, Part B, para 1.2	Within 1 month of a material change being agreed	-	Authority
Sch 7.5, para 1.1	Quarterly Contract Report	Sch 7.5, Part B, para 1.2	Within 1 month of the end of each Quarter	-	Authority
Sch 7.5, Part B, para 1.2	Annual Contract Report	Sch 7.5, Part B, para 1.2	Within 1 month of the end of the Contract	-	Authority

Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
			Year to which that report relates		
Sch 7.5 Part B, para 1.2	Financial Reconciliation Report	Sch 7.5, Part B, para 1.2	Within 6 months after the end of the Term	-	Authority
Sch 8, Para 3.3	Representation and Structure of boards	Sch 8 Annex 1	Within 7 days of receipt of intention, or in the case of a non-Authority board member agreement by the Authority	-	Authority
Sch 8, Para 3.5(e)	Minutes of governance meetings (all boards)	As appropriate and agreed by the Authority	Within 7 days of receipt from chairperson	-	Authority
Sch 8.2 Para 4.3	Impact Assessment Estimate	As appropriate and agreed by the Authority	Within 10 Working Days of date of receiving change request.	-	Authority
Sch 8.2 Para 5	Impact Assessment	As appropriate and agreed by the Authority	Within the period agreed by the Impact Assessment Estimate	Within 10 Working Days of request by the Authority to update	Authority

Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
				under Schedule 8.2 Para 5.4	
Sch 8.2, Para 2.6	Update full copy of the Agreement and copy of annotated version illustrating changes	PDF and MS Word (editable)	Signature of Variation Date	Any variation	Authority
Sch 8.2, Para 4	Change Request	Sch 8.2, Annex 1	Within 10 Working Days of Authority issuing the Change Request	-	Authority
Sch 8.3, Para 2.1	Dispute Notice	Sch 8.3 Para 2.2	No longer than 20 Working Days from an unresolved dispute arising	Any variation	Authority
Sch 8.3, Para 2.4	Mediation Notice	As appropriate	When first served	Any variation	Authority
Sch 8.4, Para 1	Reports and Records Provisions	Sch 8.4, Annex 1	Within 3 months of the the Implementation Services Commencement Date	Frequency specified in Sch 8.4, Annex 1	Authority

Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
Sch 8.5, Para 2.1(a)	Register of All Assets, Sub-contracts and Other Relevant Agreements	As appropriate and agreed by the Authority	Within 3 months of the Implementation Services Commencement Date	Any variation	Authority
Sch 8.5, Para 2.1(b)	Configuration Database of Technical Infrastructure and Operating Procedures	As appropriate and agreed by the Authority	Within 3 months of the Implementation Services Commencement Date	Any variation	Authority
Sch 8.5, Para 3.1	Exit Information	As appropriate and agreed by the Authority	On reasonable notice given by the Authority at any point during the Term	Within 10 Working Days of Authority's written request	Authority and its potential Replacement Suppliers
Sch 8.5, Para 4.1	Exit Transition Plan	Sch 8.5, Para 5.3	Within 3 months of the Implementation Services Commencement Date	In the first month of each contract year; and Within 14 days if requested by the Authority following a Financial Distress Event Within 20 days after service of Termination Notice or 6 months prior	Authority

Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
				to expiry of the Agreement	
Sch 8.5, Para 6.7(b)	Authority Data (handback)	Sch 8.4, Para 3 and/or as appropriate and agreed by the Authority	At the end of the Termination Assistance Period	-	Authority
Sch 8.5, Annex 1, Para .1, Para .3 & Para .4	Termination Services supporting documentation and knowledge transfer material	As appropriate and agreed by the Authority	As specified in the Termination Assistance Notice and in any event prior to the end of the Termination Assistance Period	As specified in the Termination Assistance Notice or otherwise requested by the Authority	-
Sch 8.6 Service Continuity	Service Continuity Plan	Sch 8.6, Para 2.2	Within 40 days from the Implementation Services Commencement Date	Sch 8.6, Para 7.1	Authority
Sch 8.6, Para 6.2	Service Continuity Plan Review Report	Sch 8.6, Para 6.2	Within 20 Working Days of the conclusion of each review of the	-	-

Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
			Service Continuity Plan.		
Sch 8.6	Corporate Resolution Planning Information	Sch 8.6, Para 11.3	Sch 8.6 Part B Para 11.2	Sch 8.6, Para 11.8	Authority
Sch 7.4 Para 8	Board Confirmation	As set out at Annex 4 of Sch 7.4	Within 120 days of the first Accounting Reference Date to occur	Within 15 months of the previous Board Confirmation provided or within 120 days after each Accounting Reference Date (whichever is the earlier)	Authority
Sch 9, Part E, Para 1.1	Supplier's Provisional Supplier Personnel List and, Staffing Information	As appropriate and agreed by the Authority	Sch 9, Para 1.1 A-D	At such intervals as are reasonably requested by the Authority	Authority
Sch 9, Part E, Para 1.2	Supplier's Final Supplier Personnel List	As appropriate and agreed by the Authority	At least 20 Working Days prior to the Service Transfer Date	Upon any material change to the list of employees	Authority and, at the discretion of the Authority, the Replacement Supplier and/or any

Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
					Replacement Subcontractor
Sch 9, Part E, Para 1.6	Information relating to the manner in which the services are organised	As appropriate and agreed by the Authority	Effective Date	-	Authority
Sch 9, Part E, Para 1.7	Payroll and benefits information	As appropriate and agreed by the Authority	Within 5 Working Days following the Service Transfer Date	-	Authority, any Replacement Supplier and/or Replacement Sub-contractor
Sch 9, Annex E1	List of Notified Sub-contractors	As appropriate and agreed by the Authority	Effective Date	Upon any change	Authority
Sch 9.2	Key Personnel	Sch 9.2	Effective Date	As amended from time to time	Authority
Sch 11, Annex 1 Para 2.1	Reports on Data Subject Access Requests	As appropriate and agreed by the Authority	As agreed with Authority	As agreed with Authority	Authority and Supplier

ANNEX 4: SUPPLY CHAIN TRANSPARENCY INFORMATION TEMPLATE

	Financial Year 20[ ]			
	Under this Agreement		Supplier as a whole	
	£	%	£	%
Estimated total contract revenue (£) to be received in this Financial Year	£[ ]	100%	£[ ]	100%
Total value of Sub-contracted revenues (£) in this Financial Year	£[ ]	[ ]	£[ ]	[ ]
Total value of Sub-contracted revenues to SMEs (£) in this Financial Year	£[ ]	[ ]	£[ ]	[ ]
Total value of Sub-contracted revenues to VCSEs (£) in this Financial Year	£[ ]	[ ]	£[ ]	[ ]

SCHEDULE 8.5

GOVERNANCE - EXIT MANAGEMENT

1 DEFINITIONS

1.1 In this Schedule, the following definitions shall apply:

"Emergency Exit"	any termination of this Agreement which is a: a) termination of the whole or part of this Agreement in accordance with Clause 34 (*Termination Rights*), except where the period of notice given under that Clause is greater than or equal to 6 months; b) termination of the provision of the Services for any reason prior to the expiry of any period of notice of termination served pursuant to Clause 34 (*Termination Rights*); or c) wrongful termination or repudiation of this Agreement by either Party;
"Ethical Wall Agreement"	an ethical wall agreement in a form similar to the draft ethical wall agreement set out at 0;
"Exclusive Assets"	those Assets used by the Supplier or a Key Sub-contractor which are used exclusively in the provision of the Services;
"Exit Information"	has the meaning given in Paragraph 3.1;
"Exit Manager"	the person appointed by each Party pursuant to Paragraph 2.4 for managing the Parties' respective obligations under this Schedule;
"Net Book Value"	the net book value of the relevant Asset(s) calculated in accordance with the depreciation policy of the Supplier set out in the letter in the agreed form from the Supplier to the Authority of the same date as this Agreement;
"Non-Exclusive Assets"	those Assets (if any) which are used by the Supplier or a Key Sub-contractor in connection with the Services but which are also used by the Supplier or Key Sub-contractor for other purposes of material value;

"Ordinary Exit"	any termination of the whole or any part of this Agreement which occurs: a) pursuant to Clause 34 (*Termination Rights*) where the period of notice given by the Party serving notice to terminate pursuant to such Clause is greater than or equal to 6 months; or b) as a result of the expiry of the Initial Term or any Extension Period;
"Registers"	the register and configuration database referred to in Paragraphs 2.2 and 2.2(c);
"Transferable Assets"	those of the Exclusive Assets which are capable of legal transfer to the Authority;
"Transferable Contracts"	the Sub-contracts, licences for Supplier's Software, licences for Third Party Software or other agreements which are necessary to enable the Authority or any Replacement Supplier to perform the Services or the Replacement Services, including in relation to licences all relevant Documentation; and
"Transferring Contracts	has the meaning given in Paragraph 8.2(b).

1.2 For the avoidance of doubt the defined term "Authority Data" includes Calculation Records.

2 OBLIGATIONS DURING THE TERM TO FACILITATE EXIT

2.1 During the Term, the Supplier shall:

2.2 create and maintain a register of all:

(a) Assets, detailing their:

(i) make, model and asset number;

(ii) ownership and status as either Exclusive Assets or Non-Exclusive Assets;

(iii) Net Book Value;

(iv) condition and physical location; and

(v) use (including technical specifications); and

(b) Sub-contracts and other relevant agreements (including relevant software licences, maintenance and support agreements and

equipment rental and lease agreements) required for the performance of the Services;

(c) create and maintain a configuration database detailing the technical infrastructure and operating procedures through which the Supplier provides the Services, including documents detailing functional specification of the interfaces between other services or systems provided by the Supplier and/or any Sub-contractor (including all relevant parts of the Authority System) which shall contain sufficient detail (i) to permit the Authority and/or Replacement Supplier to understand how the Supplier provides the Services and which specific aspects of the Services are dependent upon interfaces or other third parties and (ii) to enable the smooth transition of the Services with the minimum of disruption;

(d) agree the format of the Registers with the Authority as part of the process of agreeing the Exit Transition Plan; and

(e) at all times keep the Registers up to date, in particular in the event that Assets, Sub-contracts or other relevant agreements are added to or removed from the Services.

2.3 The Supplier shall procure that all Exclusive Assets listed in the Registers are clearly marked to identify that they are exclusively used for the provision of the Services under this Agreement.

2.4 Each Party shall appoint a person for the purposes of managing the Parties' respective obligations under this Schedule and provide written notification of such appointment to the other Party within 3 months of the Implementation Services Commencement Date. The Supplier's Exit Manager shall be responsible for ensuring that the Supplier and its employees, agents and Sub-contractors comply with this Schedule. The Supplier shall ensure that its Exit Manager has the requisite authority to arrange and procure any resources of the Supplier as are reasonably necessary to enable the Supplier to comply with the requirements set out in this Schedule. The Parties' Exit Managers will liaise with one another in relation to all issues relevant to the termination of this Agreement and all matters connected with this Schedule and each Party's compliance with it.

3 OBLIGATIONS TO ASSIST ON RE-TENDERING OF SERVICES

3.1 On reasonable notice at any point during the Term, the Supplier shall provide to the Authority and/or its potential Replacement Suppliers (subject to the potential Replacement Suppliers entering into reasonable written confidentiality undertakings), the following materials, information and access in order to facilitate the preparation by the Authority of any invitation to tender and/or to facilitate any potential Replacement Suppliers undertaking due diligence:

(a) details of the Service(s);

(b) a copy of the Registers, updated by the Supplier up to the date of delivery of such Registers;

(c) an inventory of Authority Data in the Supplier's possession or control;

(d) details of any key terms of any third party contracts and licences, particularly as regards charges, termination, assignment and novation;

(e) a list of on-going and/or threatened disputes in relation to the provision of the Services;

(f) to the extent permitted by applicable Law, all information relating to Transferring Supplier Employees required to be provided by the Supplier under this Agreement; and

(g) such other material and information as the Authority shall reasonably require,

(together, the "**Exit Information**").

3.2 The Supplier acknowledges that the Authority may disclose the Supplier's Confidential Information to an actual or prospective Replacement Supplier or any third party whom the Authority is considering engaging to the extent that such disclosure is necessary in connection with such engagement (except that the Authority may not under this Paragraph 3.2 disclose any Supplier's Confidential Information which is information relating to the Supplier's or its Sub-contractors' prices or costs or any Commercially Sensitive Information to the extent that it is not relevant to the Replacement Services).

3.3 The Supplier shall:

(a) notify the Authority within 5 Working Days of any material change to the Exit Information which may adversely impact upon the potential transfer and/or continuance of any Services and shall consult with the Authority regarding such proposed material changes; and

(b) provide complete updates of the Exit Information on an as-requested basis as soon as reasonably practicable and in any event within 10 Working Days of a request in writing from the Authority.

3.4 The Supplier may charge the Authority for its reasonable additional costs to the extent the Authority requests more than 4 updates in any 6 month period.

3.5 The Exit Information shall be accurate and complete in all material respects and the level of detail to be provided by the Supplier shall be such as would be reasonably necessary to enable a third party to:

(a) prepare an informed offer for those Services; and

(b) not be disadvantaged in any subsequent procurement process compared to the Supplier (if the Supplier is invited to participate).

3.6 Without prejudice to the remainder of this Paragraph 3, on reasonable notice at any point during the Term the Supplier will provide to the Authority and/or its potential Replacement Suppliers (subject to the potential Replacement

Suppliers entering into reasonable written confidentiality undertakings) access to Authority Premises or Sites (or both) occupied and/or otherwise in use by the Supplier for the purposes of the provision of the Services, which in the case of Sites, the Replacement Supplier would be entitled to require the use and/or occupation of in accordance with Paragraph 6. The purpose of any such access shall be to undertake onsite:

(a) physical inspections of such Authority Premises and/or the Sites; and

(b) meetings and discussions with the Supplier and relevant employees of the Supplier or any Affiliate of the Supplier to enable the Authority and/or potential Replacement Supplier to obtain information in relation to, and gain familiarisation with the Services, Software, databases, Authority Data and Authority Assets.

3.7 The time and date of any such access and on-site visits shall be agreed between the Supplier and the Authority (such agreement not to be unreasonably withheld or delayed). The Authority shall take account of the need to avoid any unnecessary disruption to the provision by the Supplier of the Services caused by any such access. Any potential Replacement Supplier shall be required by the Authority to comply with all reasonable security requirements and site rules of the Supplier whilst on the Supplier's premises.

4 OBLIGATION TO ENTER INTO AN ETHICAL WALL AGREEMENT ON RE-TENDERING OF SERVICES

4.1 The Authority may require the Supplier to enter into the Ethical Wall Agreement at any point during a re-tendering or contemplated re-tendering of the Services or any part of the Services.

4.2 If required to enter into the Ethical Wall Agreement, the Supplier will return a signed copy of the Ethical Wall Agreement within 10 Working Days of receipt. The Supplier’s costs of entering into the Ethical Wall Agreement will be borne solely by the Supplier.

5 EXIT TRANSITON PLAN

5.1 The Supplier shall, within 3 months after the Implementation Services Commencement Date, deliver to the Authority an Exit Transition Plan which:

(a) sets out the Supplier's proposed methodology for achieving an orderly transition of the relevant Services from the Supplier to the Authority and/or its Replacement Supplier on the Partial Termination, expiry or termination of this Agreement;

(b) complies with the requirements set out in Paragraph 5.2; and

(c) is otherwise reasonably satisfactory to the Authority.

5.2 The Parties shall use reasonable endeavours to agree the contents of the Exit Transition Plan. If the Parties are unable to agree the contents of the Exit Transition Plan within 20 Working Days of its submission, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.

5.3 The Exit Transition Plan shall set out, as a minimum:

(a) how the Exit Information is obtained;

(b) separate mechanisms for dealing with Ordinary Exit and Emergency Exit, the provisions relating to Emergency Exit being prepared on the assumption that the Supplier may be unable to provide the full level of assistance which is required by the provisions relating to Ordinary Exit, and in the case of Emergency Exit, provision for the supply by the Supplier of all such reasonable assistance as the Authority shall require to enable the Authority or its sub-contractors to provide the Services;

(c) a mechanism for dealing with Partial Termination on the assumption that the Supplier will continue to provide the remaining Services under this Agreement;

(d) the management structure to be employed during both transfer and cessation of the Services in an Ordinary Exit and an Emergency Exit;

(e) the management structure to be employed during the Termination Assistance Period;

(f) a detailed description of both the transfer and cessation processes, including a timetable, applicable in the case of an Ordinary Exit and an Emergency Exit;

(g) how the Services (including work in progress), Authority Data, databases and Authority Assets will transfer to the Replacement Supplier and/or the Authority, including details of the processes, documentation, data transfer, systems migration, security and the segregation of the Authority's technology components (and any other third parties' with which the Supplier is required to interface) from any technology components operated by the Supplier or its Sub-contractors (where applicable);

(h) the scope of the Termination Services that may be required for the benefit of the Authority (including such of the services set out in 0 as are applicable);

(i) a timetable and critical issues for providing the Termination Services;

(j) any charges that would be payable for the provision of the Termination Services (calculated using the one off costs, monthly costs and day rates in Worksheet 12: Exit Costs of the Financial Model), together with a capped estimate of such charges;

(k) how the Termination Services would be provided (if required) during the Termination Assistance Period;

(l) procedures to deal with requests made by the Authority and/or a Replacement Supplier for Staffing Information pursuant to Schedule 9 (*Staff Transfer*);

(m) in relation to Authority Data:

(i) a proposed method for testing the integrity and completeness of the Authority Data; and

(ii) a plan for the migration of the Authority Data and any Database to the Authority and/or the Replacement Supplier; and

(n) how each of the issues set out in this Schedule will be addressed to facilitate the transition of the Services from the Supplier to the Replacement Supplier and/or the Authority with the aim of ensuring that there is no disruption to or degradation of the Services during the Termination Assistance Period.

5.4 The Parties acknowledge that the migration of the Services from the Supplier to the Authority and/or its Replacement Supplier may be phased, such that certain of the Services are handed over before others.

5.5 The Supplier shall review and (if appropriate) update the Exit Transition Plan on a basis consistent with the principles set out in this Schedule in the first month of each Contract Year (commencing with the second Contract Year) and if requested by the Authority following the occurrence of a Financial Distress Event, within 14 days of such request, to reflect any changes in the Services that have occurred since the Exit Transition Plan was last agreed. Following such update the Supplier shall submit the revised Exit Transition Plan to the Authority for review. Within 20 Working Days following submission of the revised Exit Transition Plan, the Parties shall meet and use reasonable endeavours to agree the contents of the revised Exit Transition Plan. If the Parties are unable to agree the contents of the revised Exit Transition Plan within that 20 Working Day period, such dispute shall be resolved in accordance with the Dispute Resolution Procedure.

Finalisation of the Exit Transition Plan

5.6 Within 20 Working Days after service of a Termination Notice by either Party or 6 months prior to the expiry of this Agreement, the Supplier will submit for the Authority's approval the Exit Transition Plan in a final form that could be implemented immediately. The final form of the Exit Transition Plan shall be prepared on a basis consistent with the principles set out in this Schedule and shall reflect any changes in the Services that have occurred since the Exit Transition Plan was last agreed.

5.7 The Parties will meet and use their respective reasonable endeavours to agree the contents of the final form of the Exit Transition Plan. If the Parties are unable to agree the contents of the Exit Transition Plan within 20 Working Days following its delivery to the Authority then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure. Until the agreement of the final form of the Exit Transition Plan, the Supplier shall provide the

Termination Services in accordance with the principles set out in this Schedule and the last approved version of the Exit Transition Plan (insofar as relevant).

6 OPTION TO USE PREMISES

6.1 The Supplier shall, for the purpose of the smooth transfer of the Services to the Authority and/or the Replacement Supplier, offer the Authority and/or the Replacement Supplier, during the Termination Assistance Period and for a period not exceeding two (2) years after the expiry of the Termination Assistance Period, access to and a licence to use and/or occupy, but only on a continuous basis from expiry or termination of this Agreement, any Sites (as a location or locations from which to provide Replacement Services (including any transition and implementation activities required prior to commencing provision of the Replacement Services)) where reasonably required by the Authority and/or the Replacement Supplier. In the event that the Supplier requires a bond or some other form of financial security prior to consenting to the access or licensing arrangements referred to in this Paragraph for a Replacement Supplier, the Authority will (or, if applicable, will procure that the Replacement Supplier will) enter into discussions with the Supplier (where both Parties shall act reasonably) to agree how that financial security will be provided.

6.2 The Authority shall state in the Termination Assistance Notice whether it wishes to take up the option in Paragraph 6.1, and for what length of time. The Authority may, by giving at least one (1) months' notice in writing, extend the period of occupation up to the maximum set out in Paragraph 6.1, provided this is on a continuous basis with the original occupation.

6.3 The Authority shall pay to the Supplier or shall procure that the Replacement Supplier shall pay to the Supplier a reasonable sum or sums in respect of any ongoing costs, rent, rates, service charges, maintenance and repair charges and/or insurance costs relating to the use or occupation of the whole or part of the Sites to which it (or a Replacement Supplier) has been granted use or occupation in accordance with Paragraph 6.1.

7 TERMINATION SERVICES

Notification of Requirements for Termination Services

7.1 The Authority shall be entitled to require the provision of Termination Services at any time during the Term by giving written notice to the Supplier (a "**Termination Assistance Notice**") at least 4 months prior to the date of termination or expiry of this Agreement or as soon as reasonably practicable (but in any event, not later than 1 month) following the service by either Party of a Termination Notice. The Termination Assistance Notice shall specify:

(a) the date from which Termination Services are required;

(b) the nature of the Termination Services required; and

(c) the period during which it is anticipated that Termination Services will be required, which shall continue no longer than 24 months after

the date that the Supplier ceases to provide the terminated Services.

7.2 The Authority shall have:

(a) an option to extend the period of assistance beyond the period specified in the Termination Assistance Notice provided that such extension shall not extend for more than 6 months after the date the Supplier ceases to provide the Services or, if applicable, beyond the end of the Termination Assistance Period and provided that it shall notify the Supplier to such effect no later than 20 Working Days prior to the date on which the provision of Termination Services is otherwise due to expire; and

(b) the right to terminate its requirement for Termination Services by serving not less than 20 Working Days' written notice upon the Supplier to such effect.

Termination Assistance Period

7.3 Throughout the Termination Assistance Period, or such shorter period as the Authority may require, the Supplier shall:

(a) continue to provide the Services (as applicable) and, if required by the Authority pursuant to Paragraph 7.1, provide the Termination Services;

(b) in addition to providing the Services and the Termination Services, provide to the Authority any reasonable assistance requested by the Authority to allow the Services to continue without interruption following the Partial Termination, termination or expiry of this Agreement and to facilitate the orderly transfer of responsibility for and conduct of the Services to the Authority and/or its Replacement Supplier;

(c) use all reasonable endeavours to reallocate resources to provide such assistance as is referred to in Paragraph 7.3(b) without additional costs to the Authority;

(d) provide the Services and the Termination Services at no detriment to the Service Level Targets, KPI Targets or Target Performance Levels, save to the extent that the Parties agree otherwise in accordance with Paragraph 7.5; and

(e) at the Authority's request and on reasonable notice, deliver up-to-date Registers to the Authority.

7.4 Without prejudice to the Supplier’s obligations under Paragraph 7.3(c), if it is not possible for the Supplier to reallocate resources to provide such assistance as is referred to in Paragraph 7.3(b) without additional costs to the Authority, any additional costs incurred by the Supplier in providing such reasonable assistance which is not already in the scope of the Termination

Services or the Exit Transition Plan shall be subject to the Change Control Procedure.

7.5 If the Supplier demonstrates to the Authority's reasonable satisfaction that transition of the Services and provision of the Termination Services during the Termination Assistance Period will have a material, unavoidable adverse effect on the Supplier's ability to meet one or more particular Service Level Target(s), KPI Target(s) or Target Performance Level(s), the Parties shall vary the relevant Service Level Target(s), KPI Target(s) or Target Performance Level(s) and/or, in respect of any Service Level Target, the applicable Service Credits to take account of such adverse effect.

Termination Obligations

7.6 The Supplier shall comply promptly with all of its obligations contained in the Exit Transition Plan in respect of any Partial Termination or termination and shall co-operate fully with the Authority to ensure an orderly assumption of responsibility for provision of the Services by the Authority and/or any Replacement Supplier.

7.7 Upon termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Services and its compliance with the other provisions of this Schedule) in respect of the Services that have been terminated, the Supplier shall:

(a) cease to use the Authority Data;

(b) provide the Authority and/or the Replacement Supplier with a complete and uncorrupted version of the Authority Data (including any calculations for the administration of payments) in electronic form (or such other format as reasonably required by the Authority) and on media agreed with the Authority and/or the Replacement Supplier;

(c) erase from any computers, storage devices and storage media that are to be retained by the Supplier after the end of the Termination Assistance Period all Authority Data and promptly certify to the Authority that it has completed such deletion;

(d) return to the Authority such of the following as is in the Supplier's possession or control:

(i) all copies of the Authority Software and any other software licensed by the Authority to the Supplier under this Agreement;

(ii) all materials created by the Supplier under this Agreement in which the IPRs are owned by the Authority;

(iii) any parts of the IT Environment and any other equipment which belongs to the Authority;

(iv) any items that have been on-charged to the Authority, such as consumables; and

(v) any Authority Assets in the Supplier's possession or control;

(e) vacate any Authority Premises unless access is required to continue to deliver the Services or Termination Services;

(f) provide access during normal working hours to the Authority and/or the Replacement Supplier for up to 12 months after the Partial Termination, expiry or termination of this Agreement to:

(i) such information relating to the Services as remains in the possession or control of the Supplier; and

(ii) such members of the Supplier Personnel as have been involved in the design, development and provision of the Services and who are still employed by the Supplier, provided that the Authority and/or the Replacement Supplier shall pay the reasonable costs of the Supplier actually incurred in responding to requests for access under this Paragraph 7.7(f)(ii).

7.8 Upon Partial Termination, termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Services and its compliance with the other provisions of this Schedule), each Party shall return to the other Party (or if requested, destroy or delete) all Confidential Information of the other Party in respect of the terminated Services and shall certify that it does not retain the other Party's Confidential Information save to the extent (and for the limited period) that such information needs to be retained by the Party in question for the purposes of providing or receiving any Services or Termination Services or for statutory compliance purposes.

7.9 Except where this Agreement provides otherwise, all licences, leases and authorisations granted by the Authority to the Supplier in relation to the terminated Services shall be terminated with effect from the end of the Termination Assistance Period.

8 ASSETS, SUB-CONTRACTS AND SOFTWARE

8.1 Following notice of termination or Partial Termination of this Agreement and during the Termination Assistance Period, the Supplier shall not, in respect of the terminated Services, without the Authority's prior written consent:

(a) terminate, enter into or vary any Sub-contract except to the extent that such change does not or will not affect the provision of Services or the Charges;

(b) (subject to normal maintenance requirements) make material modifications to, or dispose of, any existing Assets or acquire any new Assets; or

(c) terminate, enter into or vary any licence for software in connection with the Services.

8.2 Within 20 Working Days of receipt of the up-to-date Registers provided by the Supplier pursuant to Paragraph 7.3(e), the Authority shall provide written notice to the Supplier setting out:

(a) which, if any, of the Transferable Assets the Authority requires to be transferred to the Authority and/or the Replacement Supplier in respect of the terminated Services ("**Transferring Assets**");

(i) which, if any, of:

(A) the Exclusive Assets that are not Transferable Assets; and

(B) the Non-Exclusive Assets,

the Authority and/or the Replacement Supplier requires the continued use of; and

(b) which, if any, of Transferable Contracts the Authority requires to be assigned or novated to the Authority and/or the Replacement Supplier (the "**Transferring Contracts**"),

in order for the Authority and/or its Replacement Supplier to provide the Services from the expiry of the Termination Assistance Period. Where requested by the Authority and/or its Replacement Supplier, the Supplier shall provide all reasonable assistance to the Authority and/or its Replacement Supplier to enable it to determine which Transferable Assets and Transferable Contracts the Authority and/or its Replacement Supplier requires to provide the Services or Replacement Services.

8.3 With effect from the expiry of the Termination Assistance Period, the Supplier shall sell the Transferring Assets to the Authority and/or its nominated Replacement Supplier for a consideration equal to their Net Book Value, except where:

(a) a Termination Payment is payable by the Authority to the Supplier, in which case, payment for such Assets shall be included within the Termination Payment; or

(b) the cost of the Transferring Asset has been partially or fully paid for through the Charges at the time of expiry or termination of this Agreement, in which case the Authority shall pay the Supplier the Net Book Value of the Transferring Asset less the amount already paid through the Charges.

8.4 Risk in the Transferring Assets shall pass to the Authority or the Replacement Supplier (as appropriate) at the end of the Termination Assistance Period and title to the Transferring Assets shall pass to the Authority or the Replacement Supplier (as appropriate) on payment for the same.

8.5 Where the Supplier is notified in accordance with Paragraph 8.2(b) that the Authority and/or the Replacement Supplier requires continued use of any Exclusive Assets that are not Transferable Assets or any Non-Exclusive Assets, the Supplier shall as soon as reasonably practicable:

(a) procure a non-exclusive, perpetual, royalty-free licence (or licence on such other terms that have been agreed by the Authority) for the Authority and/or the Replacement Supplier to use such assets (with a right of sub-licence or assignment on the same terms); or failing which

(b) procure a suitable alternative to such assets and the Authority or the Replacement Supplier shall bear the reasonable proven costs of procuring the same.

8.6 The Supplier shall as soon as reasonably practicable assign or procure the novation to the Authority and/or the Replacement Supplier of the Transferring Contracts. The Supplier shall execute such documents and provide such other assistance as the Authority reasonably requires to effect this novation or assignment.

8.7 The Authority shall:

(a) accept assignments from the Supplier or join with the Supplier in procuring a novation of each Transferring Contract; and

(b) once a Transferring Contract is novated or assigned to the Authority and/or the Replacement Supplier, carry out, perform and discharge all the obligations and liabilities created by or arising under that Transferring Contract and exercise its rights arising under that Transferring Contract, or as applicable, procure that the Replacement Supplier does the same.

8.8 The Supplier shall hold any Transferring Contracts on trust for the Authority until such time as the transfer of the relevant Transferring Contract to the Authority and/or the Replacement Supplier has been effected.

8.9 The Supplier shall indemnify the Authority (and/or the Replacement Supplier, as applicable) against each loss, liability and cost arising out of any claims made by a counterparty to a Transferring Contract which is assigned or novated to the Authority (and/or Replacement Supplier) pursuant to Paragraph 8.6 both:

(a) in relation to any matters arising prior to the date of assignment or novation of such Sub-contract; and

(b) in relation to any matters arising after the date of assignment or novation of such Sub-contract where the loss, liability or cost arises as a result of the Supplier's failure to comply with Clauses 16 (*Intellectual Property Rights*) and/or Clause 17 (*Transfer and Licences Granted by the Supplier*).

9 SUPPLIER PERSONNEL

9.1 The Authority and Supplier agree and acknowledge that in the event of the Supplier ceasing to provide the Services or part of them for any reason, Schedule 9 (*Staff Transfer*) shall apply.

9.2 The Supplier shall not take any step (expressly or implicitly or directly or indirectly by itself or through any other person) to dissuade or discourage any employees engaged in the provision of the Services from transferring their employment to the Authority and/or the Replacement Supplier.

9.3 During the Termination Assistance Period, the Supplier shall give the Authority and/or the Replacement Supplier reasonable access to the Supplier's personnel to present the case for transferring their employment to the Authority and/or the Replacement Supplier.

9.4 The Supplier shall immediately notify the Authority or, at the direction of the Authority, the Replacement Supplier of any period of notice given by the Supplier or received from any person referred to in the Staffing Information, regardless of when such notice takes effect.

9.5 The Supplier shall not for a period of 12 months from the date of transfer re-employ or re-engage or entice any employees, suppliers or Sub-contractors whose employment or engagement is transferred to the Authority and/or the Replacement Supplier, except that this paragraph shall not apply where the employee, supplier or Sub-contractor applies in response to a public advertisement of a vacancy.

10 CHARGES

10.1 During the Termination Assistance Period (or for such shorter period as the Authority may require the Supplier to provide the Termination Services), the Authority shall pay the Charges to the Supplier in respect of the Termination Services in accordance with the rates set out in the Exit Transition Plan (but shall not be required to pay costs in excess of the estimate set out in the Exit Transition Plan). If the scope or timing of the Termination Services is changed and this results in a change to the costs of such Termination Services, the estimate may be varied in accordance with the Change Control Procedure.

10.2 Where the Authority requests an extension to the Termination Services beyond the Termination Assistance Period in accordance with Paragraph 7.2:

(a) where more than 6 months' notice is provided, the same rate as set out in the Exit Transition Plan (or the Charges when not stated in the Exit Transition Plan) shall be payable; and

(b) where less than 6 months' notice is provided, no more than 1.2 times the rate as set out in the Exit Transition Plan (or the Charges when not stated in the Exit Transition Plan) shall be payable.

10.3 For the purpose of calculating the costs of providing the Termination Services for inclusion in the Exit Transition Plan or, if no Exit Transition Plan has been

agreed, the costs of providing Termination Services shall be determined in accordance with the Change Control Procedure.

10.4 Except as otherwise expressly specified in this Agreement, the Supplier shall not make any charges for the services provided by the Supplier pursuant to, and the Authority shall not be obliged to pay for costs incurred by the Supplier in relation to its compliance with, this Schedule including the preparation and implementation of the Exit Transition Plan and any activities mutually agreed between the Parties to carry on after the expiry of the Termination Assistance Period.

11 APPORTIONMENTS

11.1 All outgoings and expenses (including any remuneration due) and all rents, royalties and other periodical payments receivable in respect of the Transferring Assets and Transferring Contracts shall be apportioned between the Authority and the Supplier and/or the Replacement Supplier and the Supplier (as applicable) as follows:

(a) the amounts shall be annualised and divided by 365 to reach a daily rate;

(b) the Authority shall be responsible for (or shall procure that the Replacement Supplier shall be responsible for) or entitled to (as the case may be) that part of the value of the invoice pro rata to the number of complete days following the transfer, multiplied by the daily rate; and

(c) the Supplier shall be responsible for or entitled to (as the case may be) the rest of the invoice.

11.2 Each Party shall pay (and/or the Authority shall procure that the Replacement Supplier shall pay) any monies due under Paragraph 11.1 as soon as reasonably practicable.

ANNEX 1: SCOPE OF THE TERMINATION SERVICES

1

1.1 The Termination Services to be provided by the Supplier shall include such of the following services as the Authority may specify:

(a) ceasing all non-critical Software changes (except where agreed in writing with the Authority);

(b) notifying the Sub-contractors of procedures to be followed during the Termination Assistance Period and providing management to ensure these procedures are followed;

(c) providing assistance and expertise as necessary to examine all operational and business processes (including all supporting documentation) in place and re-writing and implementing processes and procedures such that they are appropriate for use by the Authority and/or the Replacement Supplier after the end of the Termination Assistance Period;

(d) delivering to the Authority the existing systems support profiles, monitoring or system logs, problem tracking/resolution documentation and status reports all relating to the 12 month period immediately prior to the commencement of the Termination Services;

(e) providing details of work volumes and staffing requirements over the 12 month period immediately prior to the commencement of the Termination Services;

(f) with respect to work in progress (including unrecovered debts owing to the Scheme) as at the end of the Termination Assistance Period:

(i) documenting the current status and stabilising for continuity during transition; and

(ii) preparing a plan detailing when and how the work in progress will be transferred from the Supplier to the Authority and/or its Replacement Supplier;

(iii) providing all necessary information in relation to that work in progress to the Authority and/or its Replacement Supplier in order for the Authority and/or its Replacement Supplier to complete the work in progress;

(g) providing the Authority with any problem logs which have not previously been provided to the Authority;

(h) providing assistance and expertise as necessary to examine all governance and reports in place for the provision of the Services and re-writing and implementing these during and for a period of 12 months after the Termination Assistance Period;

(i) providing assistance and expertise as necessary to examine all relevant roles and responsibilities in place for the provision of the Services and re-writing and implementing these such that they are appropriate for the continuation of the Services after the Termination Assistance Period;

(j) reviewing all Software libraries used in connection with the Services and providing details of these to the Authority and/or the Replacement Supplier;

(k) providing assistance and expertise as necessary to support the Authority and/or the Replacement Supplier develop the migration plan for business operations and Authority Data to the Replacement Supplier, which may include migration approach, testing of plans, contingency options, and handling of historic or archived Authority Data;

(l) provide all necessary support, equipment, tools, and Software such as data migration services and/or Automated Programming Interfaces, in order to enable and support the execution of the migration plan by the Authority and/or Replacement Supplier;

(m) making available to the Authority and/or the Replacement Supplier expertise to analyse training requirements and provide all necessary training for the use of tools by such staff as are nominated by the Authority (acting reasonably) at the time of termination or expiry;

(n) assisting in establishing naming conventions for any new production site;

(o) analysing and providing information about capacity and performance requirements, processor requirements and bandwidth requirements, and known planned requirements for capacity growth across these areas;

(p) generating a computer listing of the Source Code of Specially Written Software in a form and on media reasonably requested by the Authority;

(q) agreeing with the Authority a handover plan for all of the Supplier's responsibilities as set out in the Security Management Plan;

(r) delivering copies of the production databases (with content listings) to the Authority's and/or the Replacement Supplier's operations staff (on appropriate media) as reasonably requested by the Authority;

(s) assisting with the loading, testing and implementation of the production databases;

(t) assisting in the execution of a parallel operation until the effective date of expiry or termination of this Agreement;

(u) in respect of the maintenance and support of the Supplier System, providing historical performance data for the previous twelve (12) months;

(v) assisting in the execution of a parallel operation of the maintenance and support of the Supplier System until the end of the Termination Assistance Period or as otherwise specified by the Authority (provided that these Services shall end on a date no later than the end of the Termination Assistance Period);

(w) providing an information pack listing and describing the Services for use by the Authority in the procurement of the Replacement Services;

(x) answering all reasonable questions from the Authority and/or the Replacement Supplier regarding the Services;

(y) agreeing with the Authority and/or the Replacement Supplier a plan for the migration of the Authority Data and any Database to the Authority and/or the Replacement Supplier;

(z) providing access to the Authority and/or the Replacement Supplier during the Termination Assistance Period and for a period not exceeding 6 months afterwards for the purpose of the smooth transfer of the Services to the Authority and/or the Replacement Supplier:

(i) to information and documentation relating to the Transferring Services that is in the possession or control of the Supplier or its Sub-contractors (and the Supplier agrees and shall procure that its Sub-contractors do not destroy or dispose of that information within this period) including the right to take reasonable copies of that material; and

(ii) following reasonable notice and during the Supplier's normal business hours, to members of the Supplier Personnel who have been involved in the provision or management of the Services and who are still employed or engaged by the Supplier or its Sub-contractors; and

(aa) knowledge transfer services, including:

(i) transferring all training material and providing appropriate training to those Authority and/or Replacement Supplier staff responsible for internal training in connection with the provision of the Services;

(ii) providing for transfer to the Authority and/or the Replacement Supplier of all knowledge reasonably required for the provision of the Services which may, as appropriate, include information, records and documents; and

(iii) providing the Supplier and/or the Replacement Supplier with access to such members of the Supplier's or its Sub-contractors' personnel as have been involved in the design, development, provision or management of the Services and who are still employed or engaged by the Supplier or its Sub-contractors.

1.2 The Supplier shall:

(a) provide a documented plan relating to the training matters referred to in Paragraph (m) for agreement by the Authority at the time of termination or expiry of this Agreement;

(b) co-operate fully in the execution of the handover plan agreed pursuant to Paragraph (q), providing skills and expertise of a suitable standard; and

(c) fully co-operate in the execution of the Authority Data and Database migration plan agreed pursuant to Paragraph (y) of this Annex and in the Exit Transition Plan, providing skills and expertise of a reasonably acceptable standard.

1.3 To facilitate the transfer of knowledge from the Supplier to the Authority and/or its Replacement Supplier, the Supplier shall provide a detailed explanation of the procedures and operations used to provide the Services, the change management process and other standards and procedures to the operations personnel of the Authority and/or the Replacement Supplier.

1.4 The information which the Supplier shall provide to the Authority and/or the Replacement Supplier pursuant to Paragraph 1.1(aa) shall include:

(a) copies of up-to-date procedures and operations manuals;

(b) product information;

(c) agreements with third party suppliers of goods and services which are to be transferred to the Authority and/or the Replacement Supplier;

(d) key support contact details for third party supplier personnel under contracts which are to be assigned or novated to the Authority pursuant to this Schedule;

(e) information regarding any unresolved faults in progress at the commencement of the Termination Assistance Period as well as those expected to be in progress at the end of the Termination Assistance Period;

(f) details of physical and logical security processes and tools which will be available to the Authority; and

(g) any relevant interface information.

1.5 During the Termination Assistance Period the Supplier shall grant any agent or personnel (including employees, consultants and Suppliers) of the Replacement Supplier and/or the Authority access, during business hours and upon reasonable prior written notice, to any Sites for the purpose of effecting a prompt knowledge transfer provided that:

(a) any such agent or personnel (including employees, consultants and suppliers) having access to any Sites pursuant to this Paragraph 1.5 shall:

(i) sign a confidentiality undertaking in favour of the Supplier (in such form as the Supplier shall reasonably require); and

(ii) during each period of access comply with the security, systems and facilities operating procedures of the Supplier relevant to such Site and that the Authority deems reasonable; and

(b) the Authority and/or the Replacement Supplier shall pay the reasonable, proven and proper costs of the Supplier incurred in facilitating such access.

ANNEX 2: DRAFT ETHICAL WALL AGREEMENT

[THE AUTHORITY]

and

[THE COUNTERPARTY]

ETHICAL WALL AGREEMENT

This Agreement is dated [ ] 20[ ]

Between

(1) **[INSERT NAME OF AUTHORITY]** (the "**Authority**") [acting on behalf of the Crown] of [insert Authority's address]; and

(2) **[NAME OF COUNTERPARTY]** a [company]/[limited liability partnership] registered in England and Wales under registered number [insert registered number] whose registered office is at [insert Counterparty's registered address] (the "**Counterparty**").

BACKGROUND

(A) The Authority is obliged to ensure transparency, fairness, non-discrimination and equal treatment in relation to its procurement process pursuant to the Public Contracts Regulations 2015 (as amended) (the **PCR**). The purpose of this document ("**Agreement**") is to define the protocols to be followed to prevent, identify and remedy any conflict of interest (whether actual, potential or perceived) in the context of the Procurement.

(B) The Authority is conducting a procurement exercise for the [supply/purchase] of [insert details of project/goods/services] (the "**Purpose**").

(C) The Authority has an obligation to deal with conflicts of interest as set out in Regulation 24 (1) of the PCR. The concept of conflict of interest is wide. In the PCR it is described as covering at least *"any situation where relevant staff members have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure"* (Regulation 24(2)). *"Staff members"* refers to staff members of the Authority or of a procurement service provider acting on behalf of the Authority who are involved in the conduct of the procurement procedure or may influence the outcome of that procedure. *"Procurement service provider"* refers to a public or private body which offers ancillary purchasing activities on the market.

(D) Pursuant to Regulation 41 of the PCR, the Authority is under an obligation to ensure that competition is not distorted by the participation of any bidder. Accordingly, the Authority has identified that a potential distortion of competition could arise as a consequence of a bidder wishing to submit a Tender for this procurement, where it has also performed services for the Authority under existing contractual arrangements or as a subcontractor under those same arrangements.

(E) The parties wish to enter into this Agreement to ensure that a set of management processes, barriers and disciplines are put in place to ensure that conflicts of interest do not arise, and that the Counterparty does not obtain an unfair competitive advantage over Other Bidders.

IT IS AGREED:

1 DEFINITIONS AND INTERPRETATION

1.1 The following words and expressions shall have the following meanings in this agreement and its recitals:

"**Affiliate**" means in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control of that body corporate from time to time;

"**Agreement**" means this ethical walls agreement duly executed by the Parties;

"**Bid Team**" means any Counterparty, Affiliate, connected to the preparation of an ITT Response;

"**Central Government Body**" means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics:

(a) Government Department;

(b) Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal);

(c) Non-Ministerial Department; or

(d) Executive Agency;

"**Conflicted Personnel**" means any Counterparty, Affiliate, staff or agents of the Counterparty or an Affiliate who, because of the Counterparty's relationship with the Authority under any Contract have or have had access to information which creates or may create a conflict of interest;

"**Contract**" means the [contract for [ ]] dated [ ] between the Authority and the Counterparty and/or an Affiliate;

"**Control**" means the beneficial ownership of more than 50% of the issued share capital of a company or the legal power to direct or cause the direction of the management of the company and "**Controls**" and "**Controlled**" shall be interpreted accordingly;

"**Effective Date**" means the date of this Agreement as set out above;

"**Invitation to Tender**" or "**ITT**" means an invitation to submit tenders issued by the Authority as part of an ITT Process;

"**ITT Process**" means, with regard to the Purpose, the relevant procedure provided for in the PCR which the Authority has elected to use to select a contractor, together with all relevant information, correspondence and/or documents issued by the Authority as part of that procurement exercise, all information, correspondence and/or documents issued by the bidders in response together with any resulting contract;

"**ITT Response**" means the tender submitted or to be submitted by the Counterparty or an Affiliate [(or, where relevant, by an Other Bidder)] in response to an ITT;

"**Other Affiliate**" any person who is a subsidiary, subsidiary undertaking or holding company of any Other Bidder;

"**Other Bidder**" means any other bidder or potential bidder that is not the Counterparty or any Affiliate that has or is taking part in the ITT Process;

"**Parties**" means the Authority and the Counterparty;

"**Professional Advisor**" means a supplier, subcontractor, advisor or consultant engaged by the Counterparty under the auspices of compiling its ITT Response;

"**Purpose**" has the meaning given to it in recital (B) to this Agreement;

"**Representative**" refers to a person's officers, directors, employees, advisers and agents and, where the context admits, providers or potential providers of finance to the Counterparty or any Affiliate in connection with the ITT Process and the representatives of such providers or potential providers of finance; and

"**Third Party**" means any person who is not a Party and includes Other Affiliates and Other Bidders.

1.2 Reference to the disclosure of information includes any communication or making available information and includes both direct and indirect disclosure.

1.3 Reference to the disclosure of information, or provision of access, by or to the Authority or the Counterparty includes disclosure, or provision of access, by or to the representatives of the Authority or Representatives of the Counterparty (as the case may be).

1.4 Reference to persons includes legal and natural persons.

1.5 Reference to any enactment is to that enactment as amended, supplemented, re-enacted or replaced from time to time.

1.6 Reference to clauses and recitals is to clauses of and recitals to this Agreement.

1.7 Reference to any gender includes any other.

1.8 Reference to writing includes email.

1.9 The terms "associate", "holding company", "subsidiary", "subsidiary undertaking" and "wholly owned subsidiary" have the meanings attributed to them in the Companies Act 2006, except that for the purposes of section 1159(1)(a) of that Act, the words 'holds a majority of the voting rights' shall be changed to 'holds 30% or more of the voting rights', and other expressions shall be construed accordingly.

1.10 The words "include" and "including" are to be construed without limitation.

1.11 The singular includes the plural and vice versa.

1.12 The headings contained in this Agreement shall not affect its construction or interpretation.

2 ETHICAL WALLS

2.1 In consideration of the sum of £1 payable by the Authority to the Counterparty, receipt of which is hereby acknowledged, the Counterparty:

(a) shall take all appropriate steps to ensure that neither the Counterparty nor its Affiliates and/or Representatives are in a position where, in the reasonable opinion of the Authority, there is or may be an actual conflict, or a potential conflict, between the pecuniary or personal interests of the Counterparty or its Affiliates or Representatives and the duties owed to the Authority under the Contract or pursuant to an open and transparent ITT Process;

(b) acknowledges and agrees that a conflict of interest may arise in situations where the Counterparty or an Affiliate intends to take part in the ITT Process and, because of the Counterparty's relationship with the Authority under any Contract, the Counterparty, its Affiliates and/or Representatives have or have had access to information which could provide the Counterparty and/or its Affiliates with an advantage and render unfair an otherwise genuine and open competitive ITT Process; and

(c) where there is or is likely to be a conflict of interest or the perception of a conflict of interest of any kind in relation to the ITT Process, shall comply with Clause 2.2.

2.2 The Counterparty shall:

(a) Not assign any of the Conflicted Personnel to the Bid Team at any time;

(b) Provide to the Authority a complete and up to date list of the Conflicted Personnel and the Bid Team and reissue such list upon any change to it;

(c) Ensure that by no act or omission by itself, its staff, agents and/or Affiliates results in information of any kind or in any format and however so stored:

(i) about the Contract, its performance, operation and all matters connected or ancillary to it becoming available to the Bid Team; and/or

(ii) which would or could in the opinion of the Authority confer an unfair advantage on the Counterparty in relation to its participation in the ITT Process becoming available to the Bid Team;

(d) Ensure that by no act or omission by itself, its staff, agents and/or Affiliates and in particular the Bid Team results in information of any kind or in any format and however so stored about the ITT Process, its operation and all matters connected or ancillary to it becoming available to the Conflicted Personnel;

(e) Ensure that confidentiality agreements which flow down the Counterparty's obligations in this Agreement are entered into as necessary between the Authority and the Counterparty, its Affiliates, its staff, agents, any Conflicted Personnel, and between any other parties necessary in a form to be prescribed by the Authority;

(f) physically separate the Conflicted Personnel and the Bid Team, either in separate buildings or in areas with restricted access;

(g) provide regular training to its staff, agents and its Affiliates to ensure it is complying with this Agreement;

(h) monitor Conflicted Personnel movements within restricted areas (both physical and electronic online areas) to ensure it is complying with this Agreement ensure adherence to the ethical wall arrangements;

(i) ensure that the Conflicted Personnel and the Bid Team are line managed and report independently of each other; and

(j) comply with any other action as the Authority, acting reasonably, may direct.

2.3 In addition to the obligations set out in Clause 2.12.1(a) and 2.12.1(c), the Counterparty shall:

(a) notify the Authority immediately of all perceived, potential and/or actual conflicts of interest that arise;

(b) submit in writing to the Authority full details of the nature of the conflict including (without limitation) full details of the risk assessments undertaken, the impact or potential impact of the conflict, the measures and arrangements that have been established and/or are due to be established to eliminate the conflict and the Counterparty's plans to prevent future conflicts of interests from arising; and

(c) seek the Authority's approval thereto,

which the Authority shall have the right to grant, grant conditionally or deny (if the Authority denies its approval the Counterparty shall repeat the process set out in clause 2.3 until such time as the Authority grants approval or the Counterparty withdraws from the ITT Process).

2.4 Any breach of Clause 2.1, Clause 2.2 or Clause 2.3 shall entitle the Authority to exclude the Counterparty or any Affiliate or Representative from the ITT Process, and the Authority may, in addition to the right to exclude, take such

other steps as it deems necessary where, in the reasonable opinion of the Authority there has been a breach of Clause 2.1, Clause 2.2 or Clause 2.3.

2.5 The Counterparty will provide, on demand, any and all information in relation to its adherence with its obligations set out under Clauses 2.1 and 2.2 as reasonably requested by the Authority.

2.6 The Authority reserves the right to require the Counterparty to demonstrate the measures put in place by the Counterparty under Clauses 2.1(c) and 2.2.

2.7 The Counterparty acknowledges that any provision of information or demonstration of measures, in accordance with Clauses 2.5 and 2.6, does not constitute acceptance by the Authority of the adequacy of such measures and does not discharge the Counterparty of its obligations or liability under this Agreement.

2.8 The actions of the Authority pursuant to Clause 2.4 shall not prejudice or affect any right of action or remedy which shall have accrued or shall thereafter accrue to the Authority.

2.9 In no event shall the Authority be liable for any bid costs incurred by:

(a) the Counterparty or any Affiliate or Representative; or

(b) any Other Bidder, Other Affiliate or Other Representative,

as a result of any breach by the Counterparty, Affiliate or Representative of this Agreement, including, without limitation, where the Counterparty or any Affiliate or Representative, or any Other Bidder, Other Affiliate or Other Representative are excluded from the ITT Process.

2.10 The Counterparty acknowledges and agrees that:

(a) neither damages nor specific performance are adequate remedies in the event of its breach of the obligations in clause 2; and

(b) in the event of such breach by the Counterparty of any of its obligations in clause 2 which cannot be effectively remedied the Authority shall have the right to terminate this Agreement and the Counterparty's participation in the ITT Process.

3 SOLE RESPONSIBILITY

3.1 It is the sole responsibility of the Counterparty to comply with the terms of this Agreement. No approval by the Authority of any procedures, agreements or arrangements provided by the Counterparty or any Affiliate or Representative to the Authority shall discharge the Counterparty's obligations.

4 WAIVER AND INVALIDITY

4.1 No failure or delay by any Party in exercising any right, power or privilege under this Agreement or by law shall constitute a waiver of that or any other right, power or privilege, nor shall it restrict the further exercise of that or any other right, power or privilege. No single or partial exercise of such right,

power or privilege shall prevent or restrict the further exercise of that or any other right, power or privilege.

4.2 If any provision of this Agreement is prohibited or unenforceable in any jurisdiction in relation to any Party, such prohibition or unenforceability will not invalidate the remaining provisions of this Agreement or affect the validity or enforceability of the provisions of this Agreement in relation to any other Party or any other jurisdiction.

5 ASSIGNMENT AND NOVATION

5.1 Subject to clause 5.2 the Parties shall not assign, novate or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Agreement without the prior written consent of the Authority.

5.2 The Authority may assign, novate or otherwise dispose of any or all of its rights, obligations and liabilities under this Agreement and/or any associated licences to:

(a) any Central Government Body; or

(b) to a body other than a Central Government Body (including any private sector body) which performs any of the functions that previously had been performed by the Authority; and

(c) the Counterparty shall, at the Authority's request, enter into a novation agreement in such form as the Authority may reasonably specify in order to enable the Authority to exercise its rights pursuant to this Clause 5.

5.3 A change in the legal status of the Authority such that it ceases to be a Central Government Body shall not affect the validity of this Agreement and this Agreement shall be binding on any successor body to the Authority.

6 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

6.1 A person who is not a Party to this Agreement has no right under the Contract (Rights of Third Parties) Act 1999 (as amended, updated or replaced from time to time) to enforce any term of this Agreement but this does not affect any right remedy of any person which exists or is available otherwise than pursuant to that Act.

7 TRANSPARENCY

7.1 The parties acknowledge and agree that the Authority is under a legal duty pursuant to the PCR to run transparent and fair procurement processes. Accordingly, the Authority may disclose the contents of this Agreement to potential bidders in the ITT Process, for the purposes of transparency and in order to evidence that a fair procurement process has been followed.

8 NOTICES

8.1 Any notices sent under this Agreement must be in writing.

8.2 The following table sets out the method by which notices may be served under this Agreement and the respective deemed time and proof of service:

Manner of Delivery	**Deemed time of service**	**Proof of service**
Email	9.00am on the first Working Day after sending	Dispatched as a pdf attachment to an e-mail to the correct e-mail address without any error message.
Personal delivery	On delivery, provided delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the next Working Day.	Properly addressed and delivered as evidenced by signature of a delivery receipt.
Prepaid, Royal Mail Signed For™ 1st Class or other prepaid, next working day service providing proof of delivery.	At the time recorded by the delivery service, provided that delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the same Working Day (if delivery before 9.00am) or on the next Working Day (if after 5.00pm).	Properly addressed prepaid and delivered as evidenced by signature of a delivery receipt.

8.3 Notices shall be sent to the addresses set out below or at such other address as the relevant party may give notice to the other party for the purpose of service of notices under this Agreement:

	Counterparty	**Authority**
Contact		
Address		
Email		

8.4 This Clause 8 does not apply to the service of any proceedings or other documents in any legal action or other method of dispute resolution.

9 WAIVER AND CUMULATIVE REMEDIES

9.1 The rights and remedies under this Agreement may be waived only by notice and in a manner that expressly states that a waiver is intended. A failure or delay by a Party in ascertaining or exercising a right or remedy provided under this Agreement or by law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

9.2 Unless otherwise provided in this Agreement, rights and remedies under this Agreement are cumulative and do not exclude any rights or remedies provided by law, in equity or otherwise.

10 TERM

10.1 Each party's obligations under this Agreement shall continue in full force and effect for period of [ ] years from the Effective Date.

11 GOVERNING LAW AND JURISDICTION

11.1 This Agreement and any issues, disputes or claims (whether contractual or non-contractual) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales.

11.2 The Parties agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) that arises out of or in connection with this Agreement or its subject matter or formation.

Signed by the Authority

Name:

Signature:

Position in Authority:

Counterparty Signed by the

Name:

Signature:

Position in Counterparty:

SCHEDULE 8.6

GOVERNANCE - SERVICE CONTINUITY PLAN AND CORPORATE RESOLUTION PLANNING

1 **DEFINITIONS**

1.1 In this Schedule, the following definitions shall apply:

"Business Continuity Plan"	has the meaning given in Paragraph 2.2(a)(ii);
"Business Continuity Services"	has the meaning given in Paragraph 4.2(b);
"Department"	a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics: a) Government Department; or b) Non-Ministerial Department.
"Disaster"	the occurrence of one or more events which, either separately or cumulatively, mean that the Services, or a material part of them are or will be unavailable;
"Disaster Recovery Plan"	has the meaning given in Paragraph 2.2(a)(iii);
"Disaster Recovery Services"	the services embodied in the processes and procedures for restoring the Services following the occurrence of a Disaster;
"Disaster Recovery System"	the system identified by the Supplier in the Supplier Solution which shall be used for the purpose of delivering the Disaster Recovery Services;
"Insolvency Continuity Plan"	has the meaning given in Paragraph 2.2(a)(iv).
"Related Service Provider"	any person who provides services to the Authority in relation to this Agreement from time to time,

	which persons include as at the Effective Date **[*insert details*]**;
"Review Report"	has the meaning given in Paragraphs 7.2(a) to 7.2(c);
"Service Continuity Plan"	means the plan prepared pursuant to Paragraph 2 of this Schedule which incorporates the Business Continuity Plan, Disaster Recovery Plan and the Insolvency Continuity Plan;

2 SERVICE CONTINUITY PLAN

2.1 Within 40 Working Days from the Implementation Services Commencement Date the Supplier shall prepare and deliver to the Authority for the Authority's written approval a plan, which shall detail the processes and arrangements that the Supplier shall follow to:

(a) ensure continuity of the business processes and operations supported by the Services following any failure or disruption of any element of the Services (including where caused by an Insolvency Event of the Supplier, any Key Sub-contractor and/or any Supplier Group member); and

(b) the recovery of the Services in the event of a Disaster.

2.2 The Service Continuity Plan shall:

(a) be divided into four parts:

(i) Part A which shall set out general principles applicable to the Service Continuity Plan;

(ii) Part B which shall relate to business continuity (the "**Business Continuity Plan**");

(iii) Part C which shall relate to disaster recovery (the "**Disaster Recovery Plan**");

(iv) Part D which shall relate to an Insolvency Event of the Supplier, any Key Sub-contractors and/or any Supplier Group member (the "**Insolvency Continuity Plan**"); and

(b) unless otherwise required by the Authority in writing, be based upon and be consistent with the provisions of Paragraphs 3, 4, 5 and 6.

2.3 Following receipt of the draft Service Continuity Plan from the Supplier, the Authority shall:

(a) review and comment on the draft Service Continuity Plan as soon as reasonably practicable; and

(b) notify the Supplier in writing that it approves or rejects the draft Service Continuity Plan no later than 20 Working Days after the date

on which the draft Service Continuity Plan is first delivered to the Authority.

2.4 If the Authority rejects the draft Service Continuity Plan:

(a) the Authority shall inform the Supplier in writing of its reasons for its rejection; and

(b) the Supplier shall then revise the draft Service Continuity Plan (taking reasonable account of the Authority's comments) and shall re-submit a revised draft Service Continuity Plan to the Authority for the Authority's approval within 20 Working Days of the date of the Authority's notice of rejection. The provisions of Paragraph 2.3 and this Paragraph 2.4 shall apply again to any resubmitted draft Service Continuity Plan, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.

3 SERVICE CONTINUITY PLAN: PART A – GENERAL PRINCIPLES AND REQUIREMENTS

3.1 Part A of the Service Continuity Plan shall:

(a) set out how the business continuity, disaster recovery and insolvency continuity elements of the plan link to each other;

(b) provide details of how the invocation of any element of the Service Continuity Plan may impact upon the operation of the Services and any services provided to the Authority by a Related Service Provider;

(c) contain an obligation upon the Supplier to liaise with the Authority and (at the Authority's request) any Related Service Provider with respect to issues concerning business continuity, disaster recovery and insolvency continuity where applicable;

(d) detail how the Service Continuity Plan links and interoperates with any overarching and/or connected disaster recovery, business continuity and/or insolvency continuity plan of the Authority and any of its other Related Service Providers in each case as notified to the Supplier by the Authority from time to time;

(e) contain a communication strategy including details of an incident and problem management service and advice and help desk facility which can be accessed via multi-channels (including but without limitation a web-site (with FAQs), e-mail, phone and fax) for both portable and desk top configurations, where required by the Authority;

(f) contain a risk analysis, including:

(i) failure or disruption scenarios and assessments and estimates of frequency of occurrence;

(ii) identification of any single points of failure within the Services and processes for managing the risks arising therefrom;

(iii) identification of risks arising from the interaction of the Services with the services provided by a Related Service Provider;

(iv) identification of risks arising from an Insolvency Event of the Supplier, any Key Sub-contractors and/or Supplier Group member; and

(v) a business impact analysis (detailing the impact on business processes and operations) of different anticipated failures or disruptions;

(vi) provide for documentation of processes, including business processes, and procedures;

(vii) set out key contact details (including roles and responsibilities) for the Supplier (and any Sub-contractors) and for the Authority;

(viii) identify the procedures for reverting to “normal service”;

(ix) set out method(s) of recovering or updating data collected (or which ought to have been collected) during a failure or disruption to ensure that there is no more than the accepted amount of data loss and to preserve data integrity;

(x) identify the responsibilities (if any) that the Authority has agreed it will assume in the event of the invocation of the Service Continuity Plan; and

(xi) provide for the provision of technical advice and assistance to key contacts at the Authority as notified by the Authority from time to time to inform decisions in support of the Authority’s business continuity plans.

(g) The Service Continuity Plan shall be designed so as to ensure that:

(i) the Services are provided in accordance with this Agreement at all times during and after the invocation of the Service Continuity Plan;

(ii) the adverse impact of any Disaster; service failure; an Insolvency Event of the Supplier, any Key Sub-contractor and/or any Supplier Group member; or disruption on the operations of the Authority, is minimal as far as reasonably possible;

(iii) it complies with the relevant provisions of ISO/IEC 22301 and all other industry standards from time to time in force; and

(iv) there is a process for the management of disaster recovery testing detailed in the Service Continuity Plan.

3.2 The Service Continuity Plan shall be upgradeable and sufficiently flexible to support any changes to the Services, to the business processes facilitated by and the business operations supported by the Services, and/or changes to the Supplier Group structure.

3.3 The Supplier shall not be entitled to any relief from its obligations under the Performance Indicators or to any increase in the Charges to the extent that a Disaster occurs as a consequence of any breach by the Supplier of this Agreement.

4 SERVICE CONTINUITY PLAN: PART B – BUSINESS CONTINUITY

PRINCIPLES AND CONTENTS

4.1 The Business Continuity Plan shall set out the arrangements that are to be invoked to ensure that the business processes and operations facilitated by the Services remain supported and to ensure continuity of the business operations supported by the Services including, unless the Authority expressly states otherwise in writing:

(a) the alternative processes (including business processes), options and responsibilities that may be adopted in the event of a failure in or disruption to the Services; and

(b) the steps to be taken by the Supplier upon resumption of the Services in order to address any prevailing effect of the failure or disruption including a root cause analysis of the failure or disruption.

4.2 The Business Continuity Plan shall:

(a) address the various possible levels of failures of or disruptions to the Services;

(b) set out the services to be provided and the steps to be taken to remedy the different levels of failures of and disruption to the Services (such services and steps, the "**Business Continuity Services**");

(c) specify any applicable Performance Indicators with respect to the provision of the Business Continuity Services and details of any agreed relaxation to the Performance Indicators in respect of other Services during any period of invocation of the Business Continuity Plan; and

(d) clearly set out the conditions and/or circumstances under which the Business Continuity Plan is invoked.

5 SERVICE CONTINUITY PLAN: PART C – DISASTER RECOVERY

PRINCIPLES AND CONTENTS

5.1 The Disaster Recovery Plan shall be designed so as to ensure that upon the occurrence of a Disaster the Supplier ensures continuity of the business operations of the Authority supported by the Services following any Disaster or during any period of service failure or disruption with, as far as reasonably possible, minimal adverse impact.

5.2 The Disaster Recovery Plan shall be invoked only upon the occurrence of a Disaster.

5.3 The Disaster Recovery Plan shall include the following:

(a) the technical design and build specification of the Disaster Recovery System;

(b) details of the procedures and processes to be put in place by the Supplier in relation to the Disaster Recovery System and the provision of the Disaster Recovery Services and any testing of the same including but not limited to the following:

(i) data centre and disaster recovery site audits;

(ii) backup methodology and details of the Supplier's approach to data back-up and data verification;

(iii) identification of all potential disaster scenarios;

(iv) risk analysis;

(v) documentation of processes and procedures;

(vi) hardware configuration details;

(vii) network planning including details of all relevant data networks and communication links;

(viii) invocation rules;

(ix) Service recovery procedures; and

(x) steps to be taken upon resumption of the Services to address any prevailing effect of the failure or disruption of the Services;

(c) any applicable Performance Indicators with respect to the provision of the Disaster Recovery Services and details of any agreed relaxation to the Performance Indicators in respect of other Services during any period of invocation of the Disaster Recovery Plan;

(d) details of how the Supplier shall ensure compliance with security standards ensuring that compliance is maintained for any period during which the Disaster Recovery Plan is invoked;

(e) access controls to any disaster recovery sites used by the Supplier in relation to its obligations pursuant to this Schedule; and

(f) testing and management arrangements.

6 SERVICE CONTINUITY PLAN: PART D – INSOLVENCY CONTINUITY PLAN

PRINCIPLES AND CONTENTS

6.1 The Insolvency Continuity Plan shall be designed by the Supplier to permit continuity of the business operations of the Authority supported by the Services through continued provision of the Services following an Insolvency Event of the Supplier, any Key Sub-contractor and/or any Supplier Group member with, as far as reasonably possible, minimal adverse impact.

6.2 The Insolvency Continuity Plan shall include the following:

(a) communication strategies which are designed to minimise the potential disruption to the provision of the Services, including key contact details in respect of the supply chain and key contact details for operational and contract Supplier Personnel, Key Sub-contractor personnel and Supplier Group member personnel;

(b) identification, explanation, assessment and an impact analysis of risks in respect of dependencies between the Supplier, Key Sub-contractors and Supplier Group members where failure of those dependencies could reasonably have an adverse impact on the Services;

(c) plans to manage and mitigate identified risks;

(d) details of the roles and responsibilities of the Supplier, Key Sub-contractors and/or Supplier Group members to minimise and mitigate the effects of an Insolvency Event of such persons on the Services;

(e) details of the recovery team to be put in place by the Supplier (which may include representatives of the Supplier, Key Sub-contractors and Supplier Group members); and

(f) sufficient detail to enable an appointed insolvency practitioner to invoke the plan in the event of an Insolvency Event of the Supplier.

7 REVIEW AND AMENDMENT OF THE SERVICE CONTINUITY PLAN

7.1 The Supplier shall review and update the Service Continuity Plan (and the risk analysis on which it is based):

(a) on a regular basis and as a minimum once every 6 months;

(b) within three calendar months of the Service Continuity Plan (or any part) having been invoked pursuant to Paragraph 9;

(c) within 14 days of a Financial Distress Event;

(d) within 30 days of a Corporate Change Event; and

(e) where the Authority requests any additional reviews (over and above those provided for in Paragraphs 7.1(a) to 7.1(d)) by notifying the Supplier to such effect in writing, whereupon the Supplier shall conduct such reviews in accordance with the Authority's written requirements. Prior to starting its review, the Supplier shall provide an accurate written estimate of the total costs payable by the Authority for the Authority's approval. The costs of both Parties of any such additional reviews shall be met by the Authority except that the Supplier shall not be entitled to charge the Authority for any costs that it may incur above any estimate without the Authority's prior written approval.

7.2 Each review of the Service Continuity Plan pursuant to Paragraph 7.1 shall be a review of the procedures and methodologies set out in the Service Continuity Plan and shall assess their suitability having regard to any change to the Services or any underlying business processes and operations facilitated by or supported by the Services which have taken place since the later of the original approval of the Service Continuity Plan or the last review of the Service Continuity Plan and shall also have regard to any occurrence of any event since that date (or the likelihood of any such event taking place in the foreseeable future) which may increase the likelihood of the need to invoke the Service Continuity Plan. The review shall be completed by the Supplier within the period required by the Service Continuity Plan or, if no such period is required, within such period as the Authority shall reasonably require. The Supplier shall, within 20 Working Days of the conclusion of each such review of the Service Continuity Plan, provide to the Authority a report (a "**Review Report**") setting out:

(a) the findings of the review;

(b) any changes in the risk profile associated with the Services; and

(c) the Supplier's proposals (the "**Supplier's Proposals**") for addressing any changes in the risk profile and its proposals for amendments to the Service Continuity Plan following the review detailing the impact (if any and to the extent that the Supplier can reasonably be expected to be aware of the same) that the implementation of such proposals may have on any services or systems provided by a third party.

7.3 Following receipt of the Review Report and the Supplier's Proposals, the Authority shall:

(a) review and comment on the Review Report and the Supplier's Proposals as soon as reasonably practicable; and

(b) notify the Supplier in writing that it approves or rejects the Review Report and the Supplier's Proposals no later than 20 Working Days after the date on which they are first delivered to the Authority.

7.4 If the Authority rejects the Review Report and/or the Supplier's Proposals:

(a) the Authority shall inform the Supplier in writing of its reasons for its rejection; and

(b) the Supplier shall then revise the Review Report and/or the Supplier's Proposals as the case may be (taking reasonable account of the Authority's comments and carrying out any necessary actions in connection with the revision) and shall re-submit a revised Review Report and/or revised Supplier's Proposals to the Authority for the Authority's approval within 20 Working Days of the date of the Authority's notice of rejection. The provisions of Paragraph 7.3 and this Paragraph 7.4 shall apply again to any resubmitted Review Report and Supplier's Proposals, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.

7.5 The Supplier shall as soon as is reasonably practicable after receiving the Authority's approval of the Supplier's Proposals (having regard to the significance of any risks highlighted in the Review Report) effect any change in its practices or procedures necessary so as to give effect to the Supplier's Proposals. Any such change shall be at the Supplier's expense unless it can be reasonably shown that the changes are required because of a material change to the risk profile of the Services.

8 TESTING OF THE SERVICE CONTINUITY PLAN

8.1 The Supplier shall test the Service Continuity Plan on a regular basis (and in any event not less than once in every Contract Year). Subject to Paragraph 8.2, the Authority may require the Supplier to conduct additional tests of some or all aspects of the Service Continuity Plan at any time where the Authority considers it necessary, including where there has been any change to the Services or any underlying business processes, or on the occurrence of any event which may increase the likelihood of the need to implement the Service Continuity Plan.

8.2 If the Authority requires an additional test of the Service Continuity Plan, it shall give the Supplier written notice and the Supplier shall conduct the test in accordance with the Authority's requirements and the relevant provisions of the Service Continuity Plan. The Supplier's costs of the additional test shall be borne by the Authority unless the Service Continuity Plan fails the additional test in which case the Supplier's costs of that failed test shall be borne by the Supplier.

8.3 The Supplier shall undertake and manage testing of the Service Continuity Plan in full consultation with the Authority and shall liaise with the Authority in respect of the planning, performance, and review, of each test, and shall comply with the reasonable requirements of the Authority in this regard. Each test shall be carried out under the supervision of the Authority or its nominee.

8.4 The Supplier shall ensure that any use by it or any Sub-contractor of "live" data in such testing is first approved with the Authority. Copies of live test data used in any such testing shall be (if so required by the Authority) destroyed or returned to the Authority on completion of the test.

8.5 The Supplier shall, within 20 Working Days of the conclusion of each test, provide to the Authority a report setting out:

(a) the outcome of the test;

(b) any failures in the Service Continuity Plan (including the Service Continuity Plan's procedures) revealed by the test; and

(c) the Supplier's proposals for remedying any such failures.

8.6 Following each test, the Supplier shall take all measures requested by the Authority, (including requests for the re-testing of the Service Continuity Plan) to remedy any failures in the Service Continuity Plan and such remedial activity and re-testing shall be completed by the Supplier, at no additional cost to the Authority, by the date reasonably required by the Authority and set out in such notice.

8.7 For the avoidance of doubt, the carrying out of a test of the Service Continuity Plan (including a test of the Service Continuity Plan's procedures) shall not relieve the Supplier of any of its obligations under this Agreement.

8.8 The Supplier shall also perform a test of the Service Continuity Plan in the event of any major reconfiguration of the Services or as otherwise reasonably requested by the Authority.

9 INVOCATION OF THE SERVICE CONTINUITY PLAN

9.1 In the event of a loss of any critical part of the Service or a Disaster, the Supplier shall immediately invoke the business continuity and disaster recovery provisions in the Service Continuity Plan, including any linked elements in other parts of the Service Continuity Plan, and shall inform the Authority promptly of such invocation. In all other instances the Supplier shall invoke the business continuity and disaster recovery plan elements only with the prior consent of the Authority.

9.2 The Insolvency Continuity Plan element of the Service Continuity Plans, including any linked elements in other parts of the Service Continuity Plan, shall be invoked by the Supplier:

(a) where an Insolvency Event of a Key Sub-contractor and/or Supplier Group member (other than the Supplier) could reasonably be expected to adversely affect delivery of the Services; and/or

(b) where there is an Insolvency Event of the Supplier and the insolvency arrangements enable the Supplier to invoke the plan;

PART D: CORPORATE RESOLUTION PLANNING

10 Service Status and Supplier Status

10.1 This Agreement is a Critical Service Contract.

10.2 The Supplier shall notify the Authority in writing within 5 Working Days of the Effective Date and throughout the Term within 120 days after each Accounting Reference Date as to whether or not it is a Public Sector Dependent Supplier.

11 Provision of Corporate Resolution Planning Information

11.1 Paragraphs 11 to 13 of this Part D shall apply if this Agreement has been specified as a Critical Service Contract under Paragraph 10.1 of this Part D or the Supplier is or becomes a Public Sector Dependent Supplier.

11.2 Subject to Paragraphs 11.6, 11.10 and 0 of this Part D:

(a) where this Agreement is a Critical Service Contract, the Supplier shall provide the Relevant Authority or Relevant Authorities with the CRP Information within 60 days of the Implementation Services Commencement Date; and

(b) except where it has already been provided in accordance with Paragraph 11.2(a) of this Part D, where the Supplier is a Public Sector Dependent Supplier, it shall provide the Relevant Authority or Relevant Authorities with the CRP Information within 60 days of the date of the Relevant Authority's or Relevant Authorities' request.

11.3 The Supplier shall ensure that the CRP Information provided pursuant to Paragraphs 11.2, 11.8 and 11.9 of this Part D:

(a) is full, comprehensive, accurate and up to date;

(b) is split into two parts:

(i) Group Structure Information and Resolution Commentary;

(ii) UK Public Service / CNI Contract Information

(iii) and is structured and presented in accordance with the requirements and explanatory notes set out at Annex I of the latest published version of the Resolution Planning Guidance published by the Cabinet Office Government Commercial Function and available at https://www.gov.uk/government/publications/the-outsourcing-playbook and contains the level of detail required (adapted as necessary to the Supplier's circumstances);

(c) incorporates any additional commentary, supporting documents and evidence which would reasonably be required by the Relevant Authority or Relevant Authorities to understand and consider the information for approval;

(d) provides a clear description and explanation of the Supplier Group members that have agreements for goods, services or works provision in respect of UK Public Sector Business and/or Critical National Infrastructure and the nature of those agreements; and

(e) complies with the requirements set out at Annex 0 (Group Structure Information and Resolution Commentary) and Annex 0 (UK Public Sector / CNI Contract Information) respectively.

11.4 Following receipt by the Relevant Authority or Relevant Authorities of the CRP Information pursuant to Paragraphs 11.2, 11.8 and 11.9 of this Part D, the Authority shall procure that the Relevant Authority or Relevant Authorities discuss in good faith the contents of the CRP Information with the Supplier and no later than 60 days after the date on which the CRP Information was delivered by the Supplier either provide an Assurance to the Supplier that Relevant Authority or Relevant Authorities approve the CRP Information or that Relevant Authority or Relevant Authorities reject the CRP Information.

11.5 If the Relevant Authority or Relevant Authorities reject the CRP Information:

(a) the Authority shall (and shall procure that the Cabinet Office Markets and Suppliers Team shall) inform the Supplier in writing of its reasons for its rejection; and

(b) the Supplier shall revise the CRP Information, taking reasonable account of the Relevant Authority's or Relevant Authorities' comments, and shall re-submit the CRP Information to the Relevant Authority or Relevant Authorities for approval within 30 days of the date of the Relevant Authority's or Relevant Authorities' rejection. The provisions of paragraph 11.3 to 11.5 of this Part D shall apply again to any resubmitted CRP Information provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.

11.6 Where the Supplier or a member of the Supplier Group has already provided CRP Information to a Department or the Cabinet Office Markets and Suppliers Team (or, in the case of a Strategic Supplier, solely to the Cabinet Office Markets and Suppliers Team) and has received an Assurance of its CRP Information from that Department and the Cabinet Office Markets and Suppliers Team (or, in the case of a Strategic Supplier, solely from the Cabinet Office Markets and Suppliers Team), then provided that the Assurance remains Valid on the date by which the CRP Information would otherwise be required, the Supplier shall not be required to provide the CRP Information under Paragraph 11.2 if it provides a copy of the Valid Assurance to the Relevant Authority or Relevant Authorities on or before the date on which the CRP Information would otherwise have been required.

11.7 An Assurance shall be deemed Valid for the purposes of Paragraph 11.6 of this Part D if:

(a) the Assurance is within the validity period stated in the Assurance (or, if no validity period is stated, no more than 12 months has

elapsed since it was issued and no more than 18 months has elapsed since the Accounting Reference Date on which the CRP Information was based); and

(b) no Corporate Change Events or Financial Distress Events (or events which would be deemed to be Corporate Change Events or Financial Distress Events if this Agreement had then been in force) have occurred since the date of issue of the Assurance.

11.8 If this Agreement is a Critical Service Contract, the Supplier shall provide an updated version of the CRP Information (or, in the case of Paragraph 11.8(c) of this Part D its initial CRP Information) to the Relevant Authority or Relevant Authorities:

(a) within 14 days of the occurrence of a Financial Distress Event (along with any additional highly confidential information no longer exempted from disclosure under Paragraph 0 of this Part D) unless the Supplier is relieved of the consequences of the Financial Distress Event under Paragraph 7.1 of Schedule 7.4 (*Financial Distress*)

(b) within 30 days of a Corporate Change Event unless not required pursuant to Paragraph 11.10;

(c) within 30 days of the date that:

(i) the credit rating(s) of each of the Supplier and its Parent Undertakings fail to meet any of the criteria specified in Paragraph 11.10; or

(ii) none of the credit rating agencies specified at Paragraph 11.10 hold a public credit rating for the Supplier or any of its Parent Undertakings; and

(d) in any event, within 6 months after each Accounting Reference Date or within 15 months of the date of the previous Assurance received from the Relevant Authority (whichever is the earlier), unless:

(i) updated CRP Information has been provided under any of Paragraphs 11.8(a) 11.8(b) or 11.8(c) since the most recent Accounting Reference Date (being no more than 12 months previously) within the timescales that would ordinarily be required for the provision of that information under this Paragraph 11.8(d); or

(ii) unless not required pursuant to Paragraph 11.10.

11.9 Where the Supplier is a Public Sector Dependent Supplier and this Agreement is not a Critical Service Contract, then on the occurrence of any of the events specified in Paragraphs 11.8(a) to 7.7 of this Part D, the Supplier shall provide at the request of the Relevant Authority or Relevant Authorities and within the applicable timescales for each event as set out in Paragraph 11.8 (or such

longer timescales as may be notified to the Supplier by the Authority), the CRP Information to the Relevant Authority or Relevant Authorities.

11.10 Where the Supplier or a Parent Undertaking of the Supplier has a credit rating of either:

(a) Aa3 or better from Moody's;

(b) AA- or better from Standard and Poors;

(c) AA- or better from Fitch;

the Supplier will not be required to provide any CRP Information unless or until either (i) a Financial Distress Event occurs (unless the Supplier is relieved of the consequences of the Financial Distress Event under Paragraph 7.1 of Schedule 7.4 (*Financial Distress*)) or (ii) the Supplier and its Parent Undertakings cease to fulfil the criteria set out in this Paragraph 11.10, in which cases the Supplier shall provide the updated version of the CRP Information in accordance with paragraph 11.8.

Subject to Paragraph 13, where the Supplier demonstrates to the reasonable satisfaction of the Relevant Authority or Relevant Authorities that a particular item of CRP Information is highly confidential, the Supplier may, having orally disclosed and discussed that information with the Relevant Authority or Relevant Authorities, redact or omit that information from the CRP Information provided that if a Financial Distress Event occurs, this exemption shall no longer apply and the Supplier shall promptly provide the relevant information to the Relevant Authority or Relevant Authorities to the extent required under Paragraph 11.8.

12 Termination Rights

12.1 The Authority shall be entitled to terminate this Agreement under Clause 34.1(b) (*Termination by the Authority*) if the Supplier is required to provide CRP Information under Paragraph 11 of this Part D and either:

12.2 the Supplier fails to provide the CRP Information within 4 months of the Effective Date if this is a Critical Service Contract or otherwise within 4 months of the Relevant Authority's or Relevant Authorities' request; or

12.3 the Supplier fails to obtain an Assurance from the Relevant Authority or Relevant Authorities within 4 months of the date that it was first required to provide the CRP Information under this Agreement.

13 Confidentiality and usage of CRP Information

13.1 The Authority agrees to keep the CRP Information confidential and use it only to understand the implications of an Insolvency Event of the Supplier and/or Supplier Group members on its UK Public Sector Business and/or services in respect of CNI and to enable contingency planning to maintain service continuity for end users and protect CNI in such eventuality.

13.2 Where the Relevant Authority is the Cabinet Office Markets and Suppliers Team, at the Supplier's request, the Authority shall use reasonable

endeavours to procure that the Cabinet Office enters into a confidentiality and usage agreement with the Supplier containing terms no less stringent than those placed on the Authority under paragraph 13.1 of this Part D and Clause 22.

13.3 The Supplier shall use reasonable endeavours to obtain consent from any third party which has restricted the disclosure of the CRP Information to enable disclosure of that information to the Relevant Authority or Relevant Authorities pursuant to Paragraph 11 of this Part D subject, where necessary, to the Relevant Authority or Relevant Authorities entering into an appropriate confidentiality agreement in the form required by the third party.

13.4 Where the Supplier is unable to procure consent pursuant to Paragraph 13.3 of this Part D, the Supplier shall use all reasonable endeavours to disclose the CRP Information to the fullest extent possible by limiting the amount of information it withholds including by:

(a) redacting only those parts of the information which are subject to such obligations of confidentiality

(b) providing the information in a form that does not breach its obligations of confidentiality including (where possible) by:

(i) summarising the information;

(ii) grouping the information;

(iii) anonymising the information; and

(iv) presenting the information in general terms

13.5 The Supplier shall provide the Relevant Authority or Relevant Authorities with contact details of any third party which has not provided consent to disclose CRP Information where that third party is also a public sector body and where the Supplier is legally permitted to do so.

ANNEX 1: GROUP STRUCTURE INFORMATION AND RESOLUTION COMMENTARY

1 The Supplier shall:

1.1 provide sufficient information to allow the Relevant Authority to understand the implications on the Supplier Group's UK Public Sector Business and CNI contracts listed pursuant to Annex 2 if the Supplier or another member of the Supplier Group is subject to an Insolvency Event.

1.2 ensure that the information is presented so as to provide a simple, effective and easily understood overview of the Supplier Group; and

1.3 provide full details of the importance of each member of the Supplier Group to the Supplier Group's UK Public Sector Business and CNI contracts listed pursuant to Annex 02 and the dependencies between each.

ANNEX 2: UK PUBLIC SECTOR / CNI CONTRACT INFORMATION

2 The Supplier shall:

2.1 provide details of all agreements held by members of the Supplier Group where those agreements are for goods, services or works provision and:

(a) are with any UK public sector bodies including: central Government departments and their arms-length bodies and agencies, non-departmental public bodies, NHS bodies, local authorities, health bodies, police fire and rescue, education bodies and the devolved administrations;

(b) are with any private sector entities where the end recipient of the service, goods or works provision is any of the bodies set out in paragraph 2.1(a) of this Annex 02 and where the member of the Supplier Group is acting as a key sub-contractor under the agreement with the end recipient; or

(c) involve or could reasonably be considered to involve CNI;

2.2 provide the Relevant Authority with a copy of the latest version of each underlying contract worth more than £5m per contract year and their related key sub-contracts, which shall be included as embedded documents within the CRP Information or via a directly accessible link.

SCHEDULE 8.7

GOVERNANCE - CONDUCT OF CLAIMS

1 INDEMNITIES

1.1 This Schedule shall apply to the conduct, by a Party from whom an indemnity is sought under this Agreement (the "**Indemnifier**"), of claims made by a third person against a party having (or claiming to have) the benefit of the indemnity (the "**Beneficiary**").

1.2 If the Beneficiary receives any notice of any claim for which it appears that the Beneficiary is, or may become, entitled to indemnification under this Agreement (a "**Claim**"), the Beneficiary shall give notice in writing to the Indemnifier as soon as reasonably practicable and in any event within 10 Working Days of receipt of the same.

1.3 Subject to Paragraph 2, on the giving of a notice by the Beneficiary, where it appears that the Beneficiary is or may be entitled to indemnification from the Indemnifier in respect of all (but not part only) of the liability arising out of the Claim, the Indemnifier shall (subject to providing the Beneficiary with a secured indemnity to its reasonable satisfaction against all costs and expenses that it may incur by reason of such action) be entitled to dispute the Claim in the name of the Beneficiary at the Indemnifier's own expense and take conduct of any defence, dispute, compromise or appeal of the Claim and of any incidental negotiations relating to the Claim. If the Indemnifier does elect to conduct the Claim, the Beneficiary shall give the Indemnifier all reasonable cooperation, access and assistance for the purposes of such Claim and, subject to Paragraph 2.2, the Beneficiary shall not make any admission which could be prejudicial to the defence or settlement of the Claim without the prior written consent of the Indemnifier.

1.4 With respect to any Claim conducted by the Indemnifier pursuant to Paragraph 1.3:

(a) the Indemnifier shall keep the Beneficiary fully informed and consult with it about material elements of the conduct of the Claim;

(b) the Indemnifier shall not bring the name of the Beneficiary into disrepute;

(c) the Indemnifier shall not pay or settle such Claim without the prior written consent of the Beneficiary, such consent not to be unreasonably withheld or delayed; and

(d) the Indemnifier shall conduct the Claim with all due diligence.

1.5 The Beneficiary shall be entitled to have conduct of the Claim and shall be free to pay or settle any Claim on such terms as it thinks fit and without prejudice to its rights and remedies under this Agreement if:

(a) the Indemnifier is not entitled to take conduct of the Claim in accordance with Paragraph 1.3;

(b) the Indemnifier fails to notify the Beneficiary in writing of its intention to take conduct of the relevant Claim within 10 Working Days of the notice from the Beneficiary or if the Indemnifier notifies the Beneficiary in writing that it does not intend to take conduct of the Claim; or

(c) the Indemnifier fails to comply in any material respect with the provisions of Paragraph 1.4.

2 SENSITIVE CLAIMS

2.1 With respect to any Claim which the Beneficiary, acting reasonably, considers is likely to have an adverse impact on the general public's perception of the Beneficiary (a "**Sensitive Claim**"), the Indemnifier shall be entitled to take conduct of any defence, dispute, compromise or appeal of the Sensitive Claim only with the Beneficiary's prior written consent. If the Beneficiary withholds such consent and elects to conduct the defence, dispute, compromise or appeal of the Sensitive Claim itself, it shall conduct the Sensitive Claim with all due diligence and if it fails to do so, the Indemnifier shall only be liable to indemnify the Beneficiary in respect of that amount which would have been recoverable by the Beneficiary had it conducted the Sensitive Claim with all due diligence.

2.2 The Beneficiary shall be free at any time to give written notice to the Indemnifier that it is retaining or taking over (as the case may be) the conduct of any Claim, to which Paragraph 1.3 applies if, in the reasonable opinion of the Beneficiary, the Claim is, or has become, a Sensitive Claim.

3 RECOVERY OF SUMS

3.1 If the Indemnifier pays to the Beneficiary an amount in respect of an indemnity and the Beneficiary subsequently recovers (whether by payment, discount, credit, saving, relief or other benefit or otherwise) a sum which is directly referable to the fact, matter, event or circumstances giving rise to the Claim, the Beneficiary shall forthwith repay to the Indemnifier whichever is the lesser of:

(a) an amount equal to the sum recovered (or the value of the discount, credit, saving, relief, other benefit or amount otherwise obtained) less any out-of-pocket costs and expenses properly incurred by the Beneficiary in recovering or obtaining the same; and

(b) the amount paid to the Beneficiary by the Indemnifier in respect of the Claim under the relevant indemnity.

4 MITIGATION

4.1 Each of the Authority and the Supplier shall at all times take all reasonable steps to minimise and mitigate any loss for which the relevant Party is entitled

to bring a claim against the other Party pursuant to the indemnities in this Schedule.

SCHEDULE 9

EMPLOYMENT

SCHEDULE 9.1

EMPLOYMENT - STAFF TRANSFER

1 **DEFINITIONS**

1.1 In this Schedule, the following definitions shall apply:

"Actual Remuneration Costs"	the actual Remuneration Costs of the Transferring Former Supplier Employees as at the Relevant Transfer Date;
"Former Supplier"	a supplier supplying services to the Authority before the Relevant Transfer Date that are the same as or substantially similar to the Services (or any part of the Services) and shall include any sub-contractor of such supplier (or any sub-contractor of any such sub-contractor);
"Former Supplier's Provisional Transferring Former Supplier Employee List"	a list prepared and updated by the Former Supplier of all Transferring Former Supplier Employees who are at the date of the list wholly or mainly engaged in or assigned to the provision of the Services or any relevant part of the Services which it is envisaged as at the date of such list will no longer be provided by the Former Supplier and which was provided to the Supplier by the Authority as part of the Due Diligence Information;
"New Fair Deal"	the revised Fair Deal position set out in the HM Treasury guidance: *"Fair Deal for staff pensions: staff transfer from central government"* issued in October 2013 including: a) any amendments to that document immediately prior to the Relevant Transfer Date; b) any similar pension protection in accordance with the Annexes Annex D1-Annex D3 inclusive to Part D of this Schedule as notified to the Supplier by the Authority;

“Old Fair Deal”	HM Treasury Guidance *“Staff Transfers from Central Government: A Fair Deal for Staff Pensions”* issued in June 1999 including the supplementary guidance *“Fair Deal for Staff pensions: Procurement of Bulk Transfer Agreements and Related Issues”* issued in June 2004;
"Provisional Remuneration Costs"	the salary costs of the Transferring Former Supplier Employees calculated on the basis of the Former Supplier's Provisional Transferring Former Supplier Employee List and as set out in the Contract Inception Report;
"Remuneration Costs Difference"	has the meaning set out in Paragraph 8.1;
“Replacement Sub-contractor”	a sub-contractor of the Replacement Supplier to whom Transferring Supplier Employees will transfer on a Service Transfer Date (or any sub-contractor of any such sub-contractor);
“Relevant Transfer”	a transfer of employment to which the Employment Regulations applies;
“Relevant Transfer Date”	in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place. For the purposes of Part D and its Annexes, where the Supplier or a Sub-contractor was the Former Supplier and there is no Relevant Transfer of the Fair Deal Employees because they remain continuously employed by the Supplier (or Sub-contractor), references to the Relevant Transfer Date shall become references to the Operational Service Commencement Date;
“Service Transfer”	any transfer of the Services (or any part of the Services), for whatever reason, from the Supplier or any Sub-contractor to a Replacement Supplier and/or a Replacement Sub-contractor;
“Service Transfer Date”	the date of a Service Transfer or, if more than one, the date of the relevant Service Transfer as the context requires;
“Staffing Information”	in relation to all persons identified on the Supplier's Provisional Supplier Personnel List or Supplier's Final Supplier Personnel List, as the case may be,

	all information required in Annex E1 (*Table of Staffing Information*) in the format specified and with the identities of Data Subjects anonymised where possible. The Authority may acting reasonably make changes to the format or information requested in Annex E1 from time to time.
"Statutory Schemes"	means the CSPS as defined in the Annexes to Part D of this Schedule;
"Supplier's Final Supplier Personnel List"	a list provided by the Supplier of all Supplier Personnel who are wholly or mainly assigned to the provision of the Services or any relevant part of the Services and who will transfer under the Employment Regulations on the Service Transfer Date;
"Supplier's Provisional Supplier Personnel List"	a list prepared and updated by the Supplier of all Supplier Personnel who are at the date of the list wholly or mainly engaged in or assigned to the provision of the Services or any relevant part of the Services which it is envisaged as at the date of such list will no longer be provided by the Supplier;
"Transferring Former Supplier Employees"	in relation to a Former Supplier, those employees of the Former Supplier to whom the Employment Regulations will apply on the Relevant Transfer Date; and
"Transferring Supplier Employees"	those employees of the Supplier and/or the Supplier's Sub-contractors to whom the Employment Regulations will apply on the Service Transfer Date.

2 INTERPRETATION

Where a provision in this Schedule imposes an obligation on the Supplier to provide an indemnity, undertaking or warranty, the Supplier shall procure that each of its Sub-contractors shall comply with such obligation and provide such indemnity, undertaking or warranty to the Authority, Former Supplier, Replacement Supplier or Replacement Sub-contractor, as the case may be.

PART A: NOT USED

PART B: TRANSFERRING FORMER SUPPLIER EMPLOYEES AT COMMENCEMENT OF SERVICES

1 RELEVANT TRANSFERS

1.1 The Authority and the Supplier agree that:

(a) the commencement of the provision of the Services or of any relevant part of the Services will be a Relevant Transfer in relation to the Transferring Former Supplier Employees; and

(b) as a result of the operation of the Employment Regulations, the contracts of employment between each Former Supplier and the Transferring Former Supplier Employees (except in relation to any terms disapplied through the operation of regulation 10(2) of the Employment Regulations) shall have effect on and from the Relevant Transfer Date as if originally made between the Supplier and/or Sub-contractor and each such Transferring Former Supplier Employee.

1.2 The Authority shall procure that each Former Supplier shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of all the Transferring Former Supplier Employees in respect of the period up to (but not including)the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (but not including) the Relevant Transfer Date) and the Supplier shall make, and the Authority shall procure that each Former Supplier makes, any necessary apportionments in respect of any periodic payments.

2 FORMER SUPPLIER INDEMNITIES

2.1 Subject to Paragraph 2.2, the Authority shall procure that each Former Supplier shall indemnify the Supplier and any Sub-contractor against any Employee Liabilities arising from or as a result of:

(a) any act or omission by the Former Supplier in respect of any Transferring Former Supplier Employee arising before the Relevant Transfer Date;

(b) a failure of the Former Supplier to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Supplier Employees in respect of the period to (but excluding) the Relevant Transfer Date;

(c) any claim made by a Transferring Former Supplier Employee relating to any act or omission of the Former Supplier in relation to its obligations under regulation 13 of the Employment Regulations,

except to the extent that the liability arises from the failure by the Supplier or any Sub-contractor to comply with regulation 13(4) of the Employment Regulations.

2.2 The indemnities in Paragraph 2.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier or any Sub-contractor whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities:

(a) arising out of the resignation of any Transferring Former Supplier Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Supplier or any Sub-contractor to occur in the period from (and including) the Relevant Transfer Date; or

(b) arising from the failure by the Supplier and/or any Sub-contractor to comply with its obligations under the Employment Regulations.

2.3 If any person who is not identified by the Authority as a Transferring Former Supplier Employee claims, or it is determined in relation to any person who is not identified by the Authority as a Transferring Former Supplier Employee, that his/her contract of employment has been transferred from a Former Supplier to the Supplier and/or any Sub-contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:

(a) the Supplier shall, or shall procure that the Sub-contractor shall, within 7 Working Days of becoming aware of that fact, give notice in writing to the Authority and, where required by the Authority, to the Former Supplier; and

(b) the Former Supplier may offer (or may procure that a third party may offer) employment to such person within 21 Working Days of the notification by the Supplier and/or the Sub-contractor or take such other reasonable steps as the Former Supplier considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.

2.4 If an offer referred to in Paragraph 2.3(b) is accepted, or if the situation has otherwise been resolved by the Former Supplier and/or the Authority, the Supplier shall, or shall procure that the Sub-contractor shall, immediately release the person from his/her employment or alleged employment.

2.5 If by the end of the 21 Working Day period specified in Paragraph 2.3(b):

(a) no such offer of employment has been made;

(b) such offer has been made but not accepted; or

(c) the situation has not otherwise been resolved,

(d) the Supplier and/or any Sub-contractor may within 7 Working Days give notice to terminate the employment or alleged employment of such person.

2.6 Subject to the Supplier and/or any Sub-contractor acting in accordance with the provisions of Paragraphs 2.3 to 2.5 and in accordance with all applicable proper employment procedures set out in Law, the Authority shall procure that the Former Supplier indemnifies the Supplier and/or any Sub-contractor (as appropriate) against all Employee Liabilities arising out of the termination of employment pursuant to the provisions of Paragraph 2.5 provided that the Supplier takes, or shall procure that the Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.

2.7 The indemnity in Paragraph 2.6:

(a) shall not apply to:

(i) any claim for:

(A) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

(B) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Supplier and/or any Sub-contractor; or

(ii) any claim that the termination of employment was unfair because the Supplier and/or Sub-contractor neglected to follow a fair dismissal procedure; and

(b) shall apply only where the notification referred to in Paragraph 2.3(a) is made by the Supplier and/or any Sub-contractor (as appropriate) to the Authority and, if applicable, the Former Supplier, within 6 months of the Relevant Transfer Date .

2.8 If any such person as is described in Paragraph 2.3 is neither re-employed by the Former Supplier nor dismissed by the Supplier and/or any Sub-contractor within the time scales set out in Paragraph 2.5, such person shall be treated as having transferred to the Supplier or Sub-contractor and the Supplier shall, or shall procure that the Sub-contractor shall, comply with such obligations as may be imposed upon it under the Law.

3 SUPPLIER INDEMNITIES AND OBLIGATIONS

3.1 Subject to Paragraph 3.2, the Supplier shall indemnify the Authority and/or the Former Supplier against any Employee Liabilities arising from or as a result of:

(a) any act or omission by the Supplier or any Sub-contractor in respect of any Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee whether occurring before, on or after the Relevant Transfer Date;

(b) the breach or non-observance by the Supplier or any Sub-contractor on or after the Relevant Transfer Date of:

(i) any collective agreement applicable to the Transferring Former Supplier Employee; and/or

(ii) any custom or practice in respect of any Transferring Former Supplier Employees which the Supplier or any Sub-contractor is contractually bound to honour;

(c) any claim by any trade union or other body or person representing any Transferring Former Supplier Employees arising from or connected with any failure by the Supplier or a Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;

(d) any proposal by the Supplier or a Sub-contractor prior to the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring Former Supplier Employees to their material detriment on or after their transfer to the Supplier or a Sub-contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Former Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;

(e) any statement communicated to or action undertaken by the Supplier or a Sub-contractor to, or in respect of, any Transferring Former Supplier Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Authority and/or the Former Supplier in writing;

(f) any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

(i) in relation to any Transferring Former Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date; and

(ii) in relation to any employee who is not a Transferring Former Supplier Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Supplier to the Supplier or a Sub-contractor, to the extent that the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date;

(g) a failure of the Supplier or any Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Supplier Employees in respect of the period from (and including) the Relevant Transfer Date;

(h) any claim made by or in respect of a Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee relating to any act or omission of the Supplier or any Sub-contractor in relation to obligations under regulation 13(4) of the Employment Regulations, except to the extent that the liability arises from the Former Supplier's failure to comply with its obligations under regulation 13 of the Employment Regulations; and

(i) a failure by the Supplier or any Sub-Contractor to comply with its obligations under Paragraph 2.8 above

3.2 The indemnities in Paragraph 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Former Supplier whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Former Supplier's failure to comply with its obligations under the Employment Regulations.

3.3 The Supplier shall comply, and shall procure that each Sub-contractor shall comply, with all its obligations under the Employment Regulations (including without limitation its obligation to inform and consult in accordance with regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Sub-contractor shall perform and discharge, all its obligations in respect of all the Transferring Former Supplier Employees, on and from the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and any other sums due under the Admission Agreement which in any case are attributable in whole or in part to the period from (and including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Supplier and the Former Supplier.

4 INFORMATION

4.1 The Supplier shall, and shall procure that each Sub-contractor shall, promptly provide to the Authority and/or at the Authority's direction, the Former Supplier, in writing such information as is necessary to enable the Authority and/or the Former Supplier to carry out their respective duties under regulation 13 of the Employment Regulations. The Authority shall procure that the Former Supplier shall promptly provide to the Supplier and each Sub-contractor in writing such information as is necessary to enable the Supplier and each Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

5 PRINCIPLES OF GOOD EMPLOYMENT PRACTICE

5.1 The Supplier shall, and shall procure that each Sub-contractor shall, comply with any requirement notified to it by the Authority relating to pensions in respect of any Transferring Former Supplier Employee as set down in:

(a) the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised December 2013;

(b) Old Fair Deal; and/or

(c) the New Fair Deal.

5.2 Any changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraph 5.1 shall be agreed in accordance with the Change Control Procedure.

6 PROCUREMENT OBLIGATIONS

6.1 Notwithstanding any other provisions of this Part B, where in this Part B the Authority accepts an obligation to procure that a Former Supplier does or does not do something, such obligation shall be limited so that it extends only to the extent that the Authority's contract with the Former Supplier contains a contractual right in that regard which the Authority may enforce, or otherwise so that it requires only that the Authority must use reasonable endeavours to procure that the Former Supplier does or does not act accordingly.

7 PENSIONS

7.1 The Supplier shall, and shall procure that each Sub-contractor shall, comply with:

(a) the requirements of Part 1 of the Pensions Act 2008, section 258 of the Pensions Act 2004 and the Transfer of Employment (Pension Protection) Regulations 2005 for all transferring staff; and

(b) (c) (and its Annexes) to this Staff Transfer Schedule.

8 TUPE RECONCILIATION MECHANISM

8.1 On the Operational Services Commencement Date, any differences between the Actual Remuneration Costs and the Provisional Remuneration Costs (**"the Remuneration Costs Difference"**), shall (subject to Paragraphs 8.1, 8.2 and

8.3) result in a corresponding adjustment either up or down as appropriate to the Charges to compensate for any such difference.

8.2 If the circumstances described in Paragraph 8.1 arise:

8.2.1 in circumstances where there are more Transferring Former Supplier Employees than shown on the Former Supplier's Provisional Transferring Former Supplier Employee List then the Parties shall discuss the implications for the provision of Services; and

8.2.2 the Supplier and the relevant Sub-Contractor shall take all reasonable steps to mitigate any additional costs and any adjustment to the Charges shall be calculated as if they had done so.

8.3 In calculating any adjustment to be made to the Charges pursuant to Paragraph 8.1:

8.3.1 if the Remuneration Costs Difference is 11.2% or less of the Provisional Renumeration Costs, then the Charges will be increased by the Remuneration Costs Difference.;

8.3.2 if the Remuneration Costs Difference is greater than 11.2% of the Provisional Remuneration Costs, then the Charges will be increased by a further 50% of any such amount greater than 11.2%;

8.3.3 if the Remuneration Costs Difference is a minus figure, then there shall be a corresponding reduction in the Charges to reflect the lower Actual Remuneration Costs;

8.3.4 no adjustments under Paragraph 8.1 shall be made in respect of overpayments made by the Supplier or a Sub-Contractor to Transferring Former Supplier Employees which arise from reliance on the information provided by the Authority to the extent that the Supplier or the Sub-Contractor is unable to correct overpayments in respect of continuing employment having taken reasonable steps to do so;

8.3.5 if there are underpayments by the Supplier or a Sub-Contractor to Transferring Former Supplier Employees, whether claimed or established as unlawful deductions from wages or as a breach of contract, which arise from reliance on the information provided by the Authority or the Former Supplier, there shall be an immediate increase to the Charges in respect of all such liabilities of the Supplier or the Sub-Contractor for all such underpayments which are retrospective (save that any such liabilities which relate to the period prior to the Relevant Transfer Date shall be dealt with in accordance with Paragraphs 2.1 and 2.6) and an appropriate increase in respect of such liabilities of the Supplier which represent ongoing costs; and

8.3.6 in order to prevent duplication, no adjustment shall be made under this Paragraph 8.3 if any indemnity given by the Authority, or procured by the Authority from the Former Supplier, under any other provision of this Agreement would apply.

8.3.7 either Party may propose an adjustment to the Charges pursuant to Paragraph 8.1 by giving not less than ten (10) Business Days' notice to the other. Each Party will provide or procure the provision to the other, with Open Book Data, access to any information or data which the other Party reasonably requires for the purpose of calculating or confirming the calculation of any adjustment pursuant to this Paragraph 8.

8.3.8 in relation to all matters described in Paragraphs 8.2 and 8.3 the Supplier and the Authority shall, and the Supplier shall procure that the relevant Sub-Contractor shall, co-operate with the other or others and take all reasonable steps to mitigate any costs and expenses and any adverse effect on industrial or employee relations.

8.3.9 the Authority shall and the Supplier shall, and shall procure that each and every Sub-Contractor shall, take all reasonable steps, including co-operation with reasonable requests for information, to ensure that each and every Relevant Transfer pursuant to this Agreement takes place smoothly with the least possible disruption to the services of the Authority including the Services and to the Transferring Former Supplier Employees.

Part C: NOT USED

PART D: PENSIONS

1 **DEFINITIONS**

1.1 In this Part D and Part E, the following words have the following meanings and they shall supplement Schedule 1: Definitions, and shall be deemed to include the definitions set out in the Annexes to this Part D:

"Actuary"	a Fellow of the Institute and Faculty of Actuaries;
"Admission Agreement"	the CSPS Admission Agreement (as defined in Annex D1: CSPS);
"Broadly Comparable"	a) in respect of a pension scheme, a status satisfying the condition that there are no identifiable employees who will suffer material detriment overall in terms of future accrual of pension benefits as assessed in accordance with Annex A of New Fair Deal and demonstrated by the issue by the Government Actuary's Department of a broad comparability certificate; and/or b) in respect of benefits provided for or in respect of a member under a pension scheme, benefits that are consistent with that pension scheme's certificate of broad comparability issued by the Government Actuary's Department, and "**Broad Comparability**" shall be construed accordingly;
"CSPS"	the schemes as defined in Annex D1 to this Part D;
"Fair Deal Eligible Employees"	means each of the CSPS Eligible Employees (and shall include any such employee who has been admitted to and/or remains eligible to join a Broadly Comparable pension scheme at the relevant time in accordance with paragraph (c) or 11 of this Part D);
"Fair Deal Employees"	any of: a) Transferring Former Supplier Employees; and/or b) employees who are not Transferring Former Supplier Employees but to whom the Employment Regulations apply on the

Relevant Transfer Date to transfer their employment to the Supplier or a Sub-Contractor, and whose employment is not terminated in accordance with the provisions of paragraph 2.5 of Parts B;

c) where the Supplier or a Sub-contractor was the Former Supplier, the employees of the Supplier (or Sub-contractor)

d) who at the Relevant Transfer Date are or become entitled to New Fair Deal or Best Value Direction protection in respect of any of the Statutory Schemes or a Broadly Comparable pension scheme provided in accordance with paragraph 10 of this Part D as notified by the Authority;

"Fund Actuary" a Fund Actuary as defined in Annex D3 to this Part D;

2 PARTICIPATION

2.1 In respect of all or any Fair Deal Employees Annex D1: CSPS, shall apply.

2.2 The Supplier undertakes to do all such things and execute any documents (including any relevant Admission Agreement, if necessary) as may be required to enable the Supplier to participate in the appropriate Statutory Scheme in respect of the Fair Deal Employees and shall bear its own costs in such regard.

2.3 The Supplier undertakes:

(a) to pay to the Statutory Scheme all such amounts as are due under the relevant Admission Agreement or otherwise and shall deduct and pay to the Statutory Schemes such employee contributions as are required; and

(b) to be fully responsible for all other costs, contributions, payments and other amounts relating to its participation in the Statutory Schemes, including for the avoidance of doubt any exit payments and the costs of providing any bond, indemnity or guarantee required in relation to such participation.

2.4 Where the Supplier is the Former Supplier (or a Sub-contractor is a sub-contractor of the Former Supplier) and there is no Relevant Transfer of the Fair Deal Employees because they remain continuously employed by the Supplier (or Sub-contractor) at the Operational Service Commencement Date, this Part D and its Annexes shall be modified accordingly so that the Supplier (or Sub-contractor) shall comply with its requirements from the Operational Service Commencement Date or, where it previously provided a Broadly

Comparable pension scheme, from the date it is able to close accrual of its Broadly Comparable pension scheme (following appropriate consultation and contractual changes as appropriate) if later. The Supplier (or Sub-contractor) shall make arrangements for a bulk transfer from its Broadly Comparable pension scheme to the relevant Statutory Scheme in accordance with the requirements of the previous contract with the Authority.

3 PROVISION OF INFORMATION

3.1 The Supplier undertakes to the Authority:

(a) to provide all information which the Authority may reasonably request concerning matters referred to in this Part D as expeditiously as possible;

(b) not to issue any announcements to any Fair Deal Employee prior to the Relevant Transfer Date concerning the matters stated in this Part D without the consent in writing of the Authority (such consent not to be unreasonably withheld or delayed); and

(c) retain such records as would be necessary to manage the pension aspects in relation to any current or former Fair Deal Eligible Employees arising on expiry or termination of this Agreement.

4 INDEMNITIES

4.1 The Supplier shall indemnify and keep indemnified the Authority, any Replacement Supplier and/or any Replacement Sub-contractor on demand from and against all and any Losses whatsoever suffered or incurred by it or them which:

(a) arise out of or in connection with any liability towards all and any Fair Deal Employees in respect of service on or after the Relevant Transfer Date which arises from any breach by the Supplier of this Part D, and/or the CSPS Admission Agreement;

(b) relate to the payment of benefits under and/or participation in a pension scheme (as defined in section 150(1) Finance Act 2004) provided by the Supplier or a Sub-contractor on and after the Relevant Transfer Date until the date of termination or expiry of this Agreement, including the Statutory Schemes or any Broadly Comparable pension scheme provided in accordance with paragraphs 5.8 or 11 of this Part D;

(c) relate to claims by Fair Deal Employees of the Supplier and/or of any Sub-contractor or by any trade unions, elected employee representatives or staff associations in respect of all or any such Fair Deal Employees which Losses:

(i) relate to any rights to benefits under a pension scheme (as defined in section 150(1) Finance Act 2004) in respect of

periods of employment on and after the Relevant Transfer Date until the date of termination or expiry of this Agreement;

(ii) arise out of the failure of the Supplier and/or any relevant Sub-contractor to comply with the provisions of this Part D before the date of termination or expiry of this Agreement.

(d) The indemnities in this Part D and its Annexes:

(i) shall survive termination of this Agreement; and

(ii) shall not be affected by the caps on liability contained in Clause 26 (*Limitation of Liability*).

5 DISPUTES

5.1 The Dispute Resolution Procedure will not apply to any dispute (i) between the Authority and/or the Supplier or (ii) between their respective actuaries and/or the Fund Actuary about any of the actuarial matters referred to in this Part D and its Annexes shall in the absence of agreement between the Authority and/or the Supplier be referred to an independent Actuary:

(a) who will act as an expert and not as an arbitrator;

(b) whose decision will be final and binding on the Authority and/or the Supplier; and

(c) whose expenses shall be borne equally by the Authority and/or the Supplier unless the independent Actuary shall otherwise direct.

5.2 The independent Actuary shall be agreed by the Parties or, failing such agreement the independent Actuary shall be appointed by the President for the time being of the Institute and Faculty of Actuaries on the application by the Parties.

6 THIRD PARTY RIGHTS

6.1 The Parties agree Clause 44 (*Third Party Rights*) does not apply and that the CRTPA applies to this Part D to the extent necessary to ensure that any Fair Deal Employee will have the right to enforce any obligation in respect of to him or her by the Supplier under this Part D, in his or her or its own right under section 1(1) of the CRTPA.

6.2 Further, the Supplier must ensure that the CRTPA will apply to any Sub-contract to the extent necessary to ensure that any Fair Deal Employee will have the right to enforce any obligation owed to them by the Sub-contractor in his or her own right under section 1(1) of the CRTPA.

7 BREACH

7.1 The Supplier agrees to notify the Authority should it breach any obligations it has under this Part D and agrees that the Authority shall be entitled to terminate its Agreement for material Default in the event that the Supplier:

(a) commits an irremediable breach of any provision or obligation it has under this Part D; or

(b) commits a breach of any provision or obligation it has under this Part D which, where capable of remedy, it fails to remedy within a reasonable time and in any event within 28 days of the date of a notice from the Authority giving particulars of the breach and requiring the Supplier to remedy it.

8 TRANSFER TO ANOTHER EMPLOYER/SUB-CONTRACTORS

8.1 Save on expiry or termination of this Agreement, if the employment of any Fair Deal Eligible Employee transfers to another employer (by way of a transfer under the Employment Regulations or other form of compulsory transfer of employment), the Supplier shall or shall procure that any relevant Sub-contractor shall:

(a) notify the Authority as far as reasonably practicable in advance of the transfer to allow the Authority to make the necessary arrangements for participation with the relevant Statutory Scheme(s);

(b) consult with about, and inform those Fair Deal Eligible Employees of, the pension provisions relating to that transfer; and

(c) procure that the employer to which the Fair Deal Eligible Employees are transferred (the "**New Employer**") complies with the provisions of this Part D and its Annexes provided that references to the "Supplier" will become references to the New Employer, references to "Relevant Transfer Date" will become references to the date of the transfer to the New Employer and references to "Fair Deal Employees" will become references to the Fair Deal Eligible Employees so transferred to the New Employer.

9 PENSION ISSUES ON EXPIRY OR TERMINATION

9.1 The provisions of Part E: Staff Transfer On Exit (Mandatory) apply in relation to pension issues on expiry or termination of this Agreement.

9.2 The Supplier shall (and shall procure that any of its Sub-contractors shall) prior to the termination of this Agreement provide all such co-operation and assistance (including co-operation and assistance from the Broadly Comparable pension scheme's Actuary) as the Replacement Supplier and/or and/or CSPS and/or the Authority may reasonably require, to enable the Replacement Supplier to participate in the Statutory Scheme in respect of any Fair Deal Eligible Employee that remains eligible for New Fair Deal protection following a Service Transfer.

10 NOT USED

11 BROADLY COMPARABLE PENSION SCHEME IN OTHER CIRCUMSTANCES

11.1 If the terms of paragraph 2.2 of Annex D1: CSPS apply, the Supplier must (and must, where relevant, procure that each of its Sub-contractors will) ensure that, with effect from the cessation of participation in the Statutory Scheme, until the day before the Service Transfer Date, the relevant Fair Deal Eligible Employees will be eligible for membership of a pension scheme under which the benefits are Broadly Comparable to those provided under the relevant Statutory Scheme at the date of cessation of participation in the relevant Statutory Scheme, and then on such terms as may be decided by the Authority.

11.2 Such Broadly Comparable pension scheme must be:

(a) established by the date of cessation of participation in the Statutory Scheme;

(b) a registered pension scheme for the purposes of Part 4 of the Finance Act 2004;

(c) capable of receiving a bulk transfer payment from the relevant Statutory Scheme (where instructed to do so by the Authority);

(d) capable of paying a bulk transfer payment to the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable) (unless otherwise instructed by the Authority); and

(e) maintained until such bulk transfer payments have been received or paid (unless otherwise instructed by the Authority).

11.3 Where the Supplier has provided a Broadly Comparable pension scheme pursuant to the provisions of this paragraph 11, the Supplier shall (and shall procure that any of its Sub-contractors shall):

(a) supply to the Authority details of its (or its Sub-contractor's) Broadly Comparable pension scheme and provide a full copy of the valid certificate of broad comparability (which remains valid as at the date of cessation of participation in the Statutory Scheme) covering all relevant Fair Deal Eligible Employees, as soon as it is able to do so before the cessation of participation in the Statutory Scheme (where possible) and in any event no later than seven (7) days after receipt of the certificate;

(b) be fully responsible for all costs, contributions, payments and other amounts relating to the setting up, certification of, ongoing participation in and/or withdrawal and exit from the Broadly Comparable pension scheme, including for the avoidance of doubt any debts arising under section 75 or 75A of the Pensions Act 1995; and

(c) where required to do so by the Authority, instruct any such Broadly Comparable pension scheme's Actuary to provide all such co-operation and assistance in agreeing a bulk transfer process with

the Actuary to the relevant Statutory Scheme and to provide all such co-operation and assistance with any other Actuary appointed by the Authority (where applicable). The Supplier must ensure that day for day and/or pound for pound (as applicable) (or actuarially equivalent where there are benefit differences between the two schemes) credits in the Broadly Comparable pension scheme are provided in respect of any Fair Deal Employee who consents to such a transfer from the Statutory Scheme and the Supplier shall be fully responsible for any costs of providing those credits in excess of the bulk transfer payment received by the Broadly Comparable pension scheme; and

(d) provide a replacement Broadly Comparable pension scheme in accordance with this paragraph 11 with immediate effect for those Fair Deal Eligible Employees who are still employed by the Supplier and/or relevant Sub-contractor and are still eligible for New Fair Deal protection in the event that the Supplier and/or Sub-contractor's Broadly Comparable pension scheme is closed to future accrual and/or terminated. The relevant Fair Deal Eligible Employees must be given the option to transfer their accrued benefits from the previous Broadly Comparable pension scheme to the new Broadly Comparable pension scheme on day for day and/or pound for pound terms (as applicable) (or actuarially equivalent where there are benefit differences between the two schemes).

11.4 Where the Supplier has provided a Broadly Comparable pension scheme pursuant to the provisions of this paragraph 11, the Supplier shall (and shall procure that any of its Sub-contractors shall) prior to the termination of this Agreement allow and make all necessary arrangements to effect, in respect of any Fair Deal Eligible Employee that remains eligible for New Fair Deal protection, following a Service Transfer, the bulk transfer of past service from any such Broadly Comparable pension scheme into the Replacement Supplier's Broadly Comparable pension scheme (or relevant Statutory Scheme if applicable). The bulk transfer terms provided shall be sufficient to secure day for day and/or pound for pound credits (as applicable) (or actuarially equivalent where there are benefit differences between the two schemes) in the Replacement Supplier's Broadly Comparable pension scheme (or relevant Statutory Scheme if applicable). For the avoidance of doubt, should the amount offered by the Broadly Comparable pension scheme be less than the amount required by the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable) to fund the required credits ("**the Shortfall**"), the Supplier or the Sub-contractor (as agreed between them) must pay the Replacement Supplier's Broadly Comparable pension scheme (or relevant Statutory Scheme if applicable) the Shortfall as required, provided that in the absence of any agreement between the Supplier and any Sub-contractor, the Shortfall shall be paid by the Supplier. The Supplier shall indemnify the Authority or the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable) (as the Authority directs) for any failure to pay the Shortfall under this paragraph.

12 RIGHT OF SET-OFF

12.1 The Authority shall have a right to set off against any payments due to the Supplier under this Agreement an amount equal to

(a) any unpaid employer's contributions or employee's contributions or any other financial obligations under the CSPS or any CSPS Admission Agreement in respect of the CSPS Eligible Employees whether due from the Supplier or from any relevant Sub-contractor or due from any third party under any indemnity, bond or guarantee;

(b) and shall pay such set off amount to the relevant Statutory Scheme.

12.2 The Authority shall also have a right to set off against any payments due to the Supplier under this Agreement all reasonable costs and expenses incurred by the Authority as result of Paragraphs 12.1 above.

ANNEX D1: CSPS

1 **DEFINITIONS**

1.1 In this Annex D1: CSPS to Part D: Pensions, the following words have the following meanings:

"CSPS Admission Agreement"	an admission agreement in the form available on the Civil Service Pensions website immediately prior to the Relevant Transfer Date to be entered into for the CSPS in respect of the Services;
"CSPS Eligible Employee"	any CSPS Fair Deal Employee who at the relevant time is an active member or eligible to participate in the CSPS under a CSPS Admission Agreement;
"CSPS Fair Deal Employee"	a Fair Deal Employee who at the Relevant Transfer Date is or becomes entitled to protection in respect of the CSPS in accordance with the provisions of New Fair Deal;
"CSPS"	the Principal Civil Service Pension Scheme available to Civil Servants and employees of bodies under Schedule 1 of the Superannuation Act 1972 (and eligible employees of other bodies admitted to participate under a determination under section 25 of the Public Service Pensions Act 2013), as governed by rules adopted by Parliament; the Partnership Pension Account and its (i) Ill health Benefits Arrangements and (ii) Death Benefits Arrangements; the Civil Service Additional Voluntary Contribution Scheme; and "alpha" introduced under The Public Service (Civil Servants and Others) Pensions Regulations 2014.

2 **FUTURE SERVICE BENEFITS**

2.1 In accordance with New Fair Deal, the Supplier and/or any of its Sub-contractors to which the employment of any CSPS Fair Deal Employee compulsorily transfers as a result of either the award of this Agreement or a Relevant Transfer, if not an employer which participates automatically in the CSPS, shall each secure a CSPS Admission Agreement to ensure that CSPS Fair Deal Employees or CSPS Eligible Employees as appropriate shall be either admitted into, or offered continued membership of, the relevant section of the CSPS that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date or became eligible to join on the Relevant Transfer Date. The Supplier and/or any of its Sub-contractors shall procure that the CSPS Fair Deal Employees continue to accrue benefits

in the CSPS in accordance with the provisions governing the relevant section of the CSPS for service from (and including) the Relevant Transfer Date.

2.2 If the Supplier and/or any of its Sub-contractors enters into a CSPS Admission Agreement in accordance with paragraph 2.1 but the CSPS Admission Agreement is terminated during the term of this Agreement for any reason at a time when the Supplier or Sub-contractor still employs any CSPS Eligible Employees, the Supplier shall (and procure that its Sub-contractors shall) at no extra cost to the Authority, offer the remaining CSPS Eligible Employees membership of a pension scheme which is Broadly Comparable to the CSPS on the date those CSPS Eligible Employees ceased to participate in the CSPS in accordance with the provisions of paragraph 5.7 of Part D.

ANNEX D2: NOT USED

ANNEX D3: NOT USED

PART E: EMPLOYMENT EXIT PROVISIONS

1 PRE-SERVICE TRANSFER OBLIGATIONS

1.1 The Supplier agrees that within 20 Working Days of the earliest of:

(a) receipt of a notification from the Authority of a Service Transfer or intended Service Transfer;

(b) receipt of the giving of notice of early termination or any Partial Termination of this Agreement;

(c) the date which is 12 months before the end of the Term; and

(d) receipt of a written request of the Authority at any time (provided that the Authority shall only be entitled to make one such request in any 6 month period),

it shall provide in a suitably anonymised format so as to comply with the DPA, the Supplier's Provisional Supplier Personnel List, together with the Staffing Information and it shall provide an updated Supplier's Provisional Supplier Personnel List at such intervals as are reasonably requested by the Authority.

1.2 At least 20 Working Days prior to the Service Transfer Date, the Supplier shall provide to the Authority or at the direction of the Authority to any Replacement Supplier and/or any Replacement Sub-contractor:

(a) the Supplier's Final Supplier Personnel List, which shall identify which of the Supplier Personnel are Transferring Supplier Employees; and

(b) the Staffing Information in relation to the Supplier's Final Supplier Personnel List (insofar as such information has not previously been provided).

1.3 The Authority shall be permitted to use and disclose information provided by the Supplier under Paragraphs 1.1 and 1.2 for the purpose of informing any prospective Replacement Supplier and/or Replacement Sub-contractor.

1.4 The Supplier warrants, for the benefit of the Authority, any Replacement Supplier, and any Replacement Sub-contractor that all information provided pursuant to Paragraphs 1.1 and 1.2 shall be true and accurate in all material respects at the time of providing the information.

1.5 From the date of the earliest event referred to in Paragraphs 1.1(a) to (d) the Supplier agrees, that it shall not, and agrees to procure that each Sub-contractor shall not, assign any person to the provision of the Services who is not listed on the Supplier's Provisional Supplier Personnel List and shall not without the approval of the Authority (not to be unreasonably withheld or delayed):

(a) replace or re-deploy any Supplier Personnel listed on the Supplier Provisional Supplier Personnel List other than where any

replacement is of equivalent grade, skills, experience and expertise and is employed on the same terms and conditions of employment as the person he/she replaces;

(b) make, promise, propose, permit or implement any material changes to the terms and conditions of employment of the Supplier Personnel (including pensions and any payments connected with the termination of employment);

(c) increase the proportion of working time spent on the Services (or the relevant part of the Services) by any of the Supplier Personnel save for fulfilling assignments and projects previously scheduled and agreed;

(d) introduce any new contractual or customary practice concerning the making of any lump sum payment on the termination of employment of any employees listed on the Supplier's Provisional Supplier Personnel List;

(e) increase or reduce the total number of employees so engaged, or deploy any other person to perform the Services (or the relevant part of the Services); or

(f) terminate or give notice to terminate the employment or contracts of any persons on the Supplier's Provisional Supplier Personnel List save by due disciplinary process,

and shall promptly notify, and procure that each Sub-contractor shall promptly notify, the Authority or, at the direction of the Authority, any Replacement Supplier and any Replacement Sub-contractor of any notice to terminate employment given by the Supplier or relevant Sub-contractor or received from any persons listed on the Supplier's Provisional Supplier Personnel List regardless of when such notice takes effect.

1.6 During the Term, the Supplier shall provide, and shall procure that each Sub-contractor shall provide, to the Authority any information the Authority may reasonably require relating to the manner in which the Services are organised, which shall include:

(a) the numbers of employees engaged in providing the Services;

(b) the percentage of time spent by each employee engaged in providing the Services;

(c) the extent to which each employee qualifies for membership of any of the Statutory Schemes or any Broadly Comparable scheme set up pursuant to the provisions of any of the Annexes to Part D (*Pensions*) of this **Error! Reference source not found.** (*Staff Transfer*)(as appropriate); and

(d) a description of the nature of the work undertaken by each employee by location.

1.7 The Supplier shall provide, and shall procure that each Sub-contractor shall provide, all reasonable cooperation and assistance to the Authority, any Replacement Supplier and/or any Replacement Sub-contractor to ensure the smooth transfer of the Transferring Supplier Employees on the Service Transfer Date including providing sufficient information in advance of the Service Transfer Date to ensure that all necessary payroll arrangements can be made to enable the Transferring Supplier Employees to be paid as appropriate. Without prejudice to the generality of the foregoing, within 5 Working Days following the Service Transfer Date, the Supplier shall provide, and shall procure that each Sub-contractor shall provide, to the Authority or, at the direction of the Authority, to any Replacement Supplier and/or any Replacement Sub-contractor (as appropriate), in respect of each person on the Supplier's Final Supplier Personnel List who is a Transferring Supplier Employee:

(a) the most recent month's copy pay slip data;

(b) details of cumulative pay for tax and pension purposes;

(c) details of cumulative tax paid;

(d) tax code;

(e) details of any voluntary deductions from pay; and

(f) bank/building society account details for payroll purposes.

2 EMPLOYMENT REGULATIONS EXIT PROVISIONS

2.1 The Authority and the Supplier acknowledge that subsequent to the commencement of the provision of the Services, the identity of the provider of the Services (or any part of the Services) may change (whether as a result of termination or Partial Termination of this Agreement or otherwise) resulting in the Services being undertaken by a Replacement Supplier and/or a Replacement Sub-contractor. Such change in the identity of the supplier of such services may constitute a Relevant Transfer to which the Employment Regulations and/or the Acquired Rights Directive will apply. The Authority and the Supplier further agree that, as a result of the operation of the Employment Regulations, where a Relevant Transfer occurs, the contracts of employment between the Supplier and the Transferring Supplier Employees (except in relation to any contract terms disapplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Service Transfer Date as if originally made between the Replacement Supplier and/or a Replacement Sub-contractor (as the case may be) and each such Transferring Supplier Employee.

2.2 The Supplier shall, and shall procure that each Sub-contractor shall, comply with all its obligations in respect of the Transferring Supplier Employees arising under the Employment Regulations in respect of the period up to (and including) the Service Transfer Date and shall perform and discharge, and procure that each Sub-contractor shall perform and discharge, all its obligations in respect of all the Transferring Supplier Employees arising in

respect of the period up to (and including) the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and all such sums due as a result of any Fair Deal Employees' participation in the Schemes which in any case are attributable in whole or in part to the period ending on (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the Supplier and/or the Sub-contractor (as appropriate); and (ii) the Replacement Supplier and/or Replacement Sub-contractor (as appropriate).

2.3 Subject to Paragraph 2.4, the Supplier shall indemnify the Authority and/or the Replacement Supplier and/or any Replacement Sub-contractor against any Employee Liabilities arising from or as a result of:

(a) any act or omission of the Supplier and/or any Sub-contractor in respect of any Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee whether occurring before, on or after the Service Transfer Date;

(b) the breach or non-observance by the Supplier and/or any Sub-contractor occurring on or before the Service Transfer Date of:

(i) any collective agreement applicable to the Transferring Supplier Employees; and/or

(ii) any other custom or practice with a trade union or staff association in respect of any Transferring Supplier Employees which the Supplier or any Sub-contractor is contractually bound to honour;

(c) any claim by any trade union or other body or person representing any Transferring Supplier Employees arising from or connected with any failure by the Supplier and/or a Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or before the Service Transfer Date;

(d) any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

(i) in relation to any Transferring Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and before the Service Transfer Date; and

(ii) in relation to any employee who is not identified in the Supplier's Final Supplier Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment

from the Supplier to the Authority and/or Replacement Supplier and/or any Replacement Sub-contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or before the Service Transfer Date;

(e) a failure of the Supplier and/or any Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Supplier Employees in respect of the period up to (and including) the Service Transfer Date);

(f) any claim made by or in respect of any person employed or formerly employed by the Supplier and/or any Sub-contractor other than a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List for whom it is alleged the Authority and/or the Replacement Supplier and/or any Replacement Sub-contractor may be liable by virtue of this Agreement and/or the Employment Regulations and/or the Acquired Rights Directive; and

(g) any claim made by or in respect of a Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee relating to any act or omission of the Supplier and/or any Sub-contractor in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Authority and/or Replacement Supplier to comply with regulation 13(4) of the Employment Regulations.

2.4 The indemnities in Paragraph 2.3 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Replacement Supplier and/or any Replacement Sub-contractor whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities:

(a) arising out of the resignation of any Transferring Supplier Employee before the Service Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Replacement Supplier and/or any Replacement Sub-contractor to occur in the period on or after the Service Transfer Date); or

(b) arising from the Replacement Supplier's failure, and/or Replacement Sub-contractor's failure, to comply with its obligations under the Employment Regulations.

2.5 If any person who is not identified in the Supplier's Final Supplier Personnel list claims, or it is determined in relation to any person who is not identified in the Supplier's Final Supplier Personnel list, that his/her contract of employment has been transferred from the Supplier or any Sub-contractor to the Replacement Supplier and/or Replacement Sub-contractor pursuant to the Employment Regulations or the Acquired Rights Directive, then:

(a) the Authority shall use reasonable endeavours to procure that the Replacement Supplier shall, or any Replacement Sub-contractor shall, within 7 Working Days of becoming aware of that fact, give notice in writing to the Supplier; and

(b) the Supplier may offer (or may procure that a Sub-contractor may offer) employment to such person within 21 Working Days of the notification by the Replacement Supplier and/or any and/or Replacement Sub-contractor or take such other reasonable steps as it considers appropriate to deal with the matter provided always that such steps are in compliance with Law.

2.6 If such offer is accepted, or if the situation has otherwise been resolved by the Supplier and/or a Sub-contractor, the Authority shall use reasonable endeavours to procure that the Replacement Supplier shall, or procure that the Replacement Sub-contractor shall, immediately release or procure the release of the person from his/her employment or alleged employment.

2.7 If after the 21 Working Day period specified in Paragraph 2.5(b) has elapsed:

(a) no such offer of employment has been made;

(b) such offer has been made but not accepted; or

(c) the situation has not otherwise been resolved

the Authority shall advise the Replacement Supplier and/or Replacement Sub-contractor, as appropriate that it may within 7 Working Days give notice to terminate the employment or alleged employment of such person.

2.8 Subject to the Replacement Supplier and/or Replacement Sub-contractor acting in accordance with the provisions of Paragraphs 2.5 to 2.7, and in accordance with all applicable proper employment procedures set out in applicable Law, the Supplier shall indemnify the Replacement Supplier and/or Replacement Sub-contractor against all Employee Liabilities arising out of the termination of employment pursuant to the provisions of Paragraph 2.7 provided that the Replacement Supplier takes, or shall procure that the Replacement Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.

2.9 The indemnity in Paragraph 2.8:

(a) shall not apply to:

(i) any claim for:

(A) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

(B) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Replacement Supplier and/or Replacement Sub-contractor; or

(ii) any claim that the termination of employment was unfair because the Replacement Supplier and/or Replacement Sub-contractor neglected to follow a fair dismissal procedure; and

(b) shall apply only where the notification referred to in Paragraph 2.5(a) is made by the Replacement Supplier and/or Replacement Sub-contractor to the Supplier within 6 months of the Service Transfer Date.

2.10 If any such person as is described in Paragraph 2.5 is neither re-employed by the Supplier or any Sub-contractor nor dismissed by the Replacement Supplier and/or Replacement Sub-contractor within the time scales set out in Paragraphs 2.5 to 2.7, such person shall be treated as a Transferring Supplier Employee.

2.11 The Supplier shall comply, and shall procure that each Sub-contractor shall comply, with all its obligations under the Employment Regulations and shall perform and discharge, and shall procure that each Sub-contractor shall perform and discharge, all its obligations in respect of any person identified in the Supplier's Final Supplier Personnel list before and on the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and such sums due as a result of any Fair Deal Employees' participation in the Schemes and any requirement to set up a broadly comparable pension scheme which in any case are attributable in whole or in part in respect of the period up to (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between:

(a) the Supplier and/or any Sub-contractor (as applicable); and

(b) the Replacement Supplier and/or the Replacement Sub-contractor (as applicable).

2.12 The Supplier shall, and shall procure that each Sub-contractor shall, promptly provide to the Authority and any Replacement Supplier and/or Replacement Sub-contractor, in writing such information as is necessary to enable the Authority, the Replacement Supplier and/or Replacement Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations. The Authority shall use reasonable endeavours to procure that the Replacement Supplier and/or Replacement Sub-contractor, shall promptly

provide to the Supplier and each Sub-contractor in writing such information as is necessary to enable the Supplier and each Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

2.13 Subject to Paragraph 2.14, the Authority shall use reasonable endeavours to procure that the Replacement Supplier indemnifies the Supplier on its own behalf and on behalf of any Replacement Sub-contractor against any Employee Liabilities arising from or as a result of:

(a) any act or omission of the Replacement Supplier and/or Replacement Sub-contractor in respect of any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Supplier Employee;

(b) the breach or non-observance by the Replacement Supplier and/or Replacement Sub-contractor on or after the Service Transfer Date of:

(i) any collective agreement applicable to the Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List; and/or

(ii) any custom or practice in respect of any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List which the Replacement Supplier and/or Replacement Sub-contractor is contractually bound to honour;

(c) any claim by any trade union or other body or person representing any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List arising from or connected with any failure by the Replacement Supplier and/or Replacement Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Service Transfer Date;

(d) any proposal by the Replacement Supplier and/or Replacement Sub-contractor to change the terms and conditions of employment or working conditions of any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List on or after their transfer to the Replacement Supplier or Replacement Sub-contractor (as the case may be) on the Service Transfer Date, or to change the terms and conditions of employment or working conditions of any person identified in the Supplier's Final Supplier Personnel List who would have been a Transferring Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Service Transfer Date as a result of or for a reason connected to such proposed changes;

(e) any statement communicated to or action undertaken by the Replacement Supplier or Replacement Sub-contractor to, or in respect of, any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List on or before the Service Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Supplier in writing;

(f) any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

(i) in relation to any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date; and

(ii) in relation to any employee who is not a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier or Sub-contractor, to the Replacement Supplier or Replacement Sub-contractor to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date;

(g) a failure of the Replacement Supplier or Replacement Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List in respect of the period from (and including) the Service Transfer Date; and

(h) any claim made by or in respect of a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Supplier Employee relating to any act or omission of the Replacement Supplier or Replacement Sub-contractor in relation to obligations under regulation 13(4) of the Employment Regulations.

2.14 The indemnities in Paragraph 2.13 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier and/or any Sub-contractor (as applicable) whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities arising from the failure by the Supplier and/or any Sub-contractor (as applicable) to comply with its obligations under the Employment Regulations.

ANNEX E1: STAFFING INFORMATION

EMPLOYEE INFORMATION (ANONYMISED)

Name of Transferor:

Number of Employees in-scope to transfer:

Completion notes

1. *If you have any Key Sub-contractors, please complete all the above information for any staff employed by such Key Sub-contractor(s) in a separate spreadsheet.*

2. *This spreadsheet is used to collect information from the current employer (transferor) about employees performing the relevant services to help plan for a potential TUPE transfer. Some or all of this information may be disclosed to bidders as part of a procurement process. The information should not reveal the employees' identities.*

3. *If the information cannot be included on this form, attach the additional information, such as relevant policies, and cross reference to the item number and employee number where appropriate.*

EMPLOYEE DETAILS & KEY TERMS							
Details	**Job Title**	**Grade / band**	**Work Location**	**Age**	**Employment status (for example, employee, fixed-term employee, self-employed, agency worker)?**	**Continuous service date (dd/mm/yy)**	**Date employment started with existing employer**
Emp No 1							
Emp No 2							
Emp No							
Emp No							
Emp No							
Emp No							
Emp No							
Emp No							

	EMPLOYEE DETAILS & KEY TERMS						
Details	**Contract end date (if fixed term contract or temporary contract)**	**Contractual notice period**	**Contractual weekly hours**	**Regular overtime hours per week**	**Mobility or flexibility clause in contract?**	**Previously TUPE transferred to organisation? If so, please specify (i) date of transfer, (ii) name of transferor, and (iii) whether ex public sector**	**Any collective agreements?**
Emp No 1							
Emp No 2							
Emp No							
Emp No							
Emp No							
Emp No							
Emp No							

	ASSIGNMENT	CONTRACTUAL PAY AND BENEFITS						
Details	**% of working time dedicated to the provision of services under the contract**	**Salary (or hourly rate of pay)**	**Payment interval (weekly / fortnightly / monthly)**	**Bonus payment for previous 12 months (please specify whether contractual or discretionary entitlement)**	**Pay review method**	**Frequency of pay reviews**	**Agreed pay increases**	**Next pay review date**
Emp No 1								
Emp No 2								
Emp No								
Emp No								
Emp No								
Emp No								
Emp No								

	CONTRACTUAL PAY AND BENEFITS							
Details	**Any existing or future commitment to training that has a time-off or financial implication**	**Car allowance (£ per year)**	**Lease or company car details**	**Any other allowances paid (e.g. shift allowance, standby allowance, travel allowance)**	**Private medical insurance (please specify whether single or family cover)**	**Life assurance (xSalary)**	**Long Term Disability / PHI (% of Salary**	**Any other benefits in kind**
Emp No 1								
Emp No 2								
Emp No								
Emp No								
Emp No								
Emp No								
Emp No								

	CONTRACTUAL PAY AND BENEFITS					
Details	**Annual leave entitlement (excluding bank holidays)**	**Bank holiday entitlement**	**Method of calculating holiday pay (i.e. based on fixed salary only or incl. entitlements to variable remuneration such as bonuses, allowances, commission or overtime pay?)**	**Maternity or paternity or shared parental leave entitlement and pay**	**Sick leave entitlement and pay**	**Redundancy pay entitlement (statutory / enhanced / contractual / discretionary)**
Emp No 1						
Emp No 2						
Emp No						
Emp No						
Emp No						
Emp No						
Emp No						

	PENSIONS					
Details	**Employee pension contribution rate**	**Employer pension contribution rate**	**Please provide the name of the pension scheme and a link to the pension scheme website**	**Is the scheme an occupational pension scheme as defined in the Pension Schemes Act 1993?**	**If the scheme is not an occupational pension scheme, what type of scheme is it? E.g. personal pension scheme?**	**Type of pension provision e.g. defined benefit (CARE or final salary, and whether a public sector scheme e.g. CSPS, NHSPS, LGPS etc. or a broadly comparable scheme) or a defined contribution scheme or an auto enrolment master trust?**
Emp No 1						
Emp No 2						
Emp No						
Emp No						
Emp No						
Emp No						
Emp No						

	PENSIONS					
Details	**If the Employee is in the Local Government Pension Scheme, please supply details of Fund and Administering Authority.**	**If the Employee is in the Civil Service Pension Scheme, please provide details of the Admission Agreement.**	**If the Employee is in the NHSPS, please provide details of the Direction Letter.**	**If the Employee is in a broadly comparable pension scheme, please supply a copy of the GAD certificate of Broad Comparability.**	**Did Fair Deal or any other similar pension protection for ex-public sector employees apply to the employee when they TUPE transferred into your employment? If so, what was the nature of that protection (e.g. right to participate in a public sector pension scheme, or a broadly comparable scheme, or to bulk transfer past pension service into their current scheme)?**	**If Fair Deal, Best Value or other pension protection applied, which public sector employer did they originally transfer out of and when?**
Emp No 1						
Emp No 2						
Emp No						
Emp No						
Emp No						
Emp No						
Emp No						

	OTHER		
Details	**Security Check Level**	**Security Clearance Expiry date**	**Additional info or comments**
Emp No 1			
Emp No 2			
Emp No			
Emp No			
Emp No			
Emp No			
Emp No			

SCHEDULE 9.2

EMPLOYMENT - KEY PERSONNEL

Key Personnel

Key Role	Name of Key Personnel	Responsibilities/Authorities	Phase of the project during which they will be a member of Key Personnel	Minimum period in Key Role
TP Account Director	[Redacted]	• Stakeholder management, relationship governance and overall accountability for service delivery to the Authority	• Transition and transformation • Operational Services	48 months
Governance Director	[Redacted]	• Overall responsibility for the governance function • Responsible for delivering Governance oversight plans which includes delivery of the annual compliance, security, audit and risk plans • The role is responsible to track the plans and provide regular updates against the respective plans to the relevant Authority stakeholders	• Transition and transformation • Operational Services	48 months
Commercial Director	[Redacted]	• Contract management and governance • Contract change management • Third party management • Management of finance, HR & facilities functions	• Transition and transformation • Operational Services	48 months
Transition and	[Redacted]	• Tracking, managing & guiding teams for the specific work streams across the Supplier, the Authority and the Former Supplier	• Transition and transformation	24 months

Transformation Director		• Review the progress of the overall program along with all Project Manager(s) • Escalate issues / delays to both the Supplier, Former Supplier and the Authority senior leadership team wherever required • Track and publish progress dashboard to steering committee • Ensure adequate business and IT SME support		
Transition and Transformation Programme Manager	[Redacted]	• Tracking, managing & guiding teams for the specific work streams at the Supplier side • Review the progress of the overall program along with Supplier delivery manager(s) • Escalate issues / delays to the programme director • Track and publish progress dashboard of all Supplier delivery streams • Ensure adequate business and IT SME support	• Transition and transformation	24 months
Operations Director	[Redacted]	• Set-up and steady state management of front and back office operations • Meeting all Services requirements and Service Levels • Responsible for operations design and roll out	• Transition and transformation • Operational Services	48 months
IT Director	[Redacted]	• Overall responsibility for the IT service management, planning and the implementation of the solution platform. • Implementation to live environment of deliveries from development and operations	• Transition and transformation • Operational Services	48 months

Product Specialist	[Redacted]	• Expert in Supplier BaNCS (core administration system) application's products, their features and business processes etc. required for application configuration and adaptations • Create product specification as per Supplier templates along with business rules, ratings, calculations as per Authority's requirement • Guide the solution development team from overall design and implementation perspective for all business functionality	• Transition and transformation	24 months
Technical Architect	[Redacted]	• Design integration architecture, deployment architecture for the overall solution encompassing the core admin system application • Carry out proof of concepts jointly with Authority team architects for applicable interfaces, if required • Carry out system integration testing along with Authority's IT team • Prepare and provide Integration development status to program / project manager as needed	• Transition and transformation	24 months

SCHEDULE 10

NOT USED

SCHEDULE 11

PROCESSING PERSONAL DATA

1 **Processing Personal Data**

1.1 This Schedule shall be completed by the Controller, who may take account of the view of the Processors, however the final decision as to the content of this Schedule shall be with the Authority at its absolute discretion.

1.2 The contact details of the Authority's Data Protection Officer are:

[Redacted]

1.3 The contact details of the Supplier's Data Protection Officer are: [Redacted]

1.4 The Processor shall comply with any further written instructions from the Controller with respect to its data processing for and/or on behalf of the Controller.

1.5 Any such further instructions shall be incorporated into this Schedule.

Description	**Details**
Identity of Controller for each Category of Personal Data	**The Authority is Controller and the Supplier is Processor** The Parties acknowledge that in accordance with Clauses 24.2 to 24.15 and for the purposes of the Data Protection Legislation, the Authority is the Controller and the Supplier is the Processor of the following Personal Data: • in respect to Personal Data required for Teachers' Pensions Scheme administration; • name (first, middle and surname), maiden name/previous names, NI Number, phone number(s), address, bank details, postcode, health related information, DOB, email, gender, service, salary and employment related information.
Duration of the processing	The data is processed in accordance with the commencement for Teachers' Pension Scheme Administration Services commencing 1st October 2025. Data is held for as long as needed for the

	purpose of administering the scheme under this Agreement.
Nature and purposes of the processing	Data is processed and held for the purposes of scheme administration, payroll, scheme accounting and communications in relation to the Teachers' Pension Scheme under the Teachers' Pension Scheme Regulations Category Information. Data will be stored as a member record within a secure IT environment specifically used to administer the Scheme. For the purpose of administering the Scheme, Personal Data may be required to be shared with medical services providers in order for them to give medical advice in relation to an Ill-health Retirement application. Where Personal Data is shared with others, this sharing complies with data protection legislation. The Teachers' Pension Scheme is a governmental scheme, and all scheme data is held and processed on the basis of a legitimate and public interest which forms the basis for legally processing data. It is covered by the Teachers' Pension Scheme Regulations. The legal basis for processing personal information is that it is needed to perform a function of a government department. In addition, the data subjects' consent to special category data being shared via the Privacy Notice and their signed submission of the ill health retirement application form. This processing is necessary for the performance of administering a scheme which is carried out in the public interest or in the exercise of official authority vested in the Controller.
Type(s) of Personal Data	• Teachers' Pensions reference number • Name(s) including first, middle and surname and any maiden name/previous names • National Insurance Number • Phone Number(s) • Address and postcode • Bank Details

	• Scanned documents/ letters/ correspondence • Date of Birth • Email Address • Gender • Service/salary • Employment related information such as (establishment name and address, prohibition status) The following Special Category Information may also be required for administration of the Teachers' Pensions Scheme: health and medical information, disability status and record of prohibition notices.
Categories of Data Subject	Teachers and individuals who are/have previously been eligible to be a member of the Teachers' Pension Scheme.
Plan for return and destruction of the data once the processing is complete UNLESS requirement under union or member state law to preserve that type of data	Data is held for as long as needed for the purpose of administering the Teachers' Pension Scheme under this Agreement and will subsequently be destroyed in line with this Agreement and associated contract schedules. Confirmation of destruction of the data will be provided within 30 days of destruction.
Locations at which the Supplier and/or its Sub-contractors process Personal Data under this Contract	United Kingdom European Union – On the basis of the UK-EU Adequacy decision India – On the basis of the UK International Data Transfer Agreement (IDTA) contained within this Agreement
Protective Measures that the Supplier and, where applicable, its Sub-contractors have implemented	The protective measures are set out in Clause 21 (*Authority Data and Security Requirements*) of this Agreement, and include, but are not limited to the following: **External Certifications**

to protect Personal Data processed under this Contract Agreement against a breach of security (insofar as that breach of security relates to data) or a Personal Data Breach	The supplier will hold at least Cyber Essentials Plus certification and ISO 27001:2013 certification if proportionate to the service being procured. **Risk Assessment** Supplier should perform a technical information risk assessment on the service supplied and be able to demonstrate what controls are in place to address those risks. **Security Classification of Information** If the provision of the Services requires the Supplier to process Authority Data which is classified as OFFICIAL, OFFICIAL-SENSITIVE or Personal Data, the Supplier shall implement such additional measures as agreed with the Authority from time to time in order to ensure that such information is safeguarded in accordance with the applicable legislative and regulatory obligations. **End User Devices** ● The Supplier shall ensure that any Authority Data which resides on a mobile, removable or physically uncontrolled device is stored encrypted using a product or system component which has been formally assured through a recognised certification process agreed with the Authority except where the Authority has given its prior written consent to an alternative arrangement. ● The Supplier shall ensure that any device which is used to Process Authority Data meets all of the security requirements set out in the NCSC End User Devices Platform Security Guidance, a copy of which can be found at: https://www.ncsc.gov.uk/guidance/end-user-device-security. **Testing** The Supplier shall at their own cost and expense, procure a CHECK or CREST Certified Supplier to perform an ITHC or Penetration Test prior to any live Authority Data being transferred into their systems. The ITHC scope must be agreed with the Authority to ensure it covers all the relevant parts of the system that processes, stores or hosts Authority Data. **Networking**

	The Supplier shall ensure that any Authority Data which it causes to be transmitted over any public network (including the Internet, mobile networks or un-protected enterprise network) or to a mobile device shall be encrypted when transmitted. **Personnel Security** All Supplier Personnel shall be subject to a pre-employment check before they may participate in the provision and or management of the Services. Such pre-employment checks must include all pre-employment checks which are required by the HMG Baseline Personnel Security Standard or equivalent including: verification of the individual's identity; verification of the individual's nationality and immigration status; and, verification of the individual's employment history; verification of the individual's criminal record. The Supplier maybe required to implement additional security vetting for some roles. **Identity, Authentication and Access Control** The Supplier must operate an appropriate access control regime to ensure that users and administrators of the service are uniquely identified. The Supplier must retain records of access to the physical sites and to the service. **Data Destruction/Deletion** The Supplier must be able to demonstrate they can supply a copy of all data on request or at termination of the service, and must be able to securely erase or destroy all data and media that the Authority Data has been stored and processed on. **Audit and Protective Monitoring** The Supplier shall collect audit records which relate to security events in delivery of the service or that would support the analysis of potential and actual compromises. In order to facilitate effective monitoring and forensic readiness such Supplier audit records should (as a minimum) include regular reports and alerts setting out details of access by users of the service, to enable the identification of (without limitation) changing access trends, any unusual patterns of usage and/or accounts accessing higher than average amounts of Authority Data. The retention periods for audit records and event logs must be agreed with the Authority and documented.

	Location of Authority Data The Supplier shall not, and shall procure that none of its Sub-contractors, process Authority Data outside the EEA without the prior written consent of the Authority and the Supplier shall not change where it or any of its Sub-contractors process Authority Data without the Authority's prior written consent which may be subject to conditions. **Vulnerabilities and Corrective Action** The Supplier shall procure and implement security patches to vulnerabilities in accordance with the timescales specified in the NCSC Cloud Security Principle 5. The Supplier must ensure that all COTS Software and Third Party COTS Software be kept up to date such that all Supplier COTS Software and Third Party COTS Software are always in mainstream support. **Secure Architecture** The Suppliers should design the service in accordance with: ● NCSC "Security Design Principles for Digital Services" ● NCSC "Bulk Data Principles" ● NSCS "Cloud Security Principles

ANNEX: CONTROLLER TO PROCESSOR MODEL CLAUSES FOR THE TRANSFER OF PERSONAL DATA TO PROCESSORS

STANDARD CONTRACTUAL CLAUSES FOR EU GDPR COMPLIANT TRANSFERS

Controller to Processor Standard Contractual Clauses

Standard Contractual Clauses for Personal Data Transfers from an EU Controller to a Processor Established in a Third Country (Controller-to-Processor Transfers)

SECTION I

Clause 1

Purpose and scope

(a) The purpose of these standard contractual clauses is to ensure compliance with the requirements of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation)[4] for the transfer of personal data to a third country.

(b) The Parties:

(i) the natural or legal person(s), public authority/ies, agency/ies or other body/ies (hereinafter "entity/ies") transferring the personal data, as listed in Annex I.A. (hereinafter each "data exporter"), and

(ii) the entity/ies in a third country receiving the personal data from the data exporter, directly or indirectly via another entity also Party to these Clauses, as listed in Annex I.A. (hereinafter each "data importer")

have agreed to these standard contractual clauses (hereinafter: "Clauses").

[4] Where the data exporter is a processor subject to Regulation (EU) 2016/679 acting on behalf of a Union institution or body as controller, reliance on these Clauses when engaging another processor (sub-processing) not subject to Regulation (EU) 2016/679 also ensures compliance with Article 29(4) of Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295 of 21.11.2018, p. 39), to the extent these Clauses and the data protection obligations as set out in the contract or other legal act between the controller and the processor pursuant to Article 29(3) of Regulation (EU) 2018/1725 are aligned. This will in particular be the case where the controller and processor rely on the standard contractual clauses included in Decision 2021/915.

(c) These Clauses apply with respect to the transfer of personal data as specified in Annex I.B.

(d) The Appendix to these Clauses containing the Annexes referred to therein forms an integral part of these Clauses.

Clause 2

Effect and invariability of the Clauses

(a) These Clauses set out appropriate safeguards, including enforceable data subject rights and effective legal remedies, pursuant to Article 46(1) and Article 46 (2)(c) of Regulation (EU) 2016/679 and, with respect to data transfers from controllers to processors and/or processors to processors, standard contractual clauses pursuant to Article 28(7) of Regulation (EU) 2016/679, provided they are not modified, except to select the appropriate Module(s) or to add or update information in the Appendix. This does not prevent the Parties from including the standard contractual clauses laid down in these Clauses in a wider contract and/or to add other clauses or additional safeguards, provided that they do not contradict, directly or indirectly, these Clauses or prejudice the fundamental rights or freedoms of data subjects.

(b) These Clauses are without prejudice to obligations to which the data exporter is subject by virtue of Regulation (EU) 2016/679.

Clause 3

Third-party beneficiaries

(a) Data subjects may invoke and enforce these Clauses, as third-party beneficiaries, against the data exporter and/or data importer, with the following exceptions:

(i) Clause 1, Clause 2, Clause 3, Clause 6, Clause 7;

(ii) Clause 8 - Module One: Clause 8.5 (e) and Clause 8.9(b); Module Two: Clause 8.1(b), 8.9(a), (c), (d) and (e); Module Three: Clause 8.1(a), (c) and (d) and Clause 8.9(a), (c), (d), (e), (f) and (g); Module Four: Clause 8.1 (b) and Clause 8.3(b);

(iii) Clause 9 - Module Two: Clause 9(a), (c), (d) and (e); Module Three: Clause 9(a), (c), (d) and (e);

(iv) Clause 12 - Module One: Clause 12(a) and (d); Modules Two and Three: Clause 12(a), (d) and (f);

(v) Clause 13;

(vi) Clause 15.1(c), (d) and (e);

(vii) Clause 16(e);

(viii) Clause 18 - Modules One, Two and Three: Clause 18(a) and (b); Module Four: Clause 18.

(b) Paragraph (a) is without prejudice to rights of data subjects under Regulation (EU) 2016/679.

Clause 4

Interpretation

(a) Where these Clauses use terms that are defined in Regulation (EU) 2016/679, those terms shall have the same meaning as in that Regulation.

(b) These Clauses shall be read and interpreted in the light of the provisions of Regulation (EU) 2016/679.

(c) These Clauses shall not be interpreted in a way that conflicts with rights and obligations provided for in Regulation (EU) 2016/679.

Clause 5

Hierarchy

In the event of a contradiction between these Clauses and the provisions of related agreements between the Parties, existing at the time these Clauses are agreed or entered into thereafter, these Clauses shall prevail.

Clause 6

Description of the transfer(s)

The details of the transfer(s), and in particular the categories of personal data that are transferred and the purpose(s) for which they are transferred, are specified in Annex I.B.

Clause 7

Docking clause

(a) An entity that is not a Party to these Clauses may, with the agreement of the Parties, accede to these Clauses at any time, either as a data exporter or as a data importer, by completing the Appendix and signing Annex I.A.

(b) Once it has completed the Appendix and signed Annex I.A, the acceding entity shall become a Party to these Clauses and have the rights and obligations of a data exporter or data importer in accordance with its designation in Annex I.A.

(c) The acceding entity shall have no rights or obligations arising under these Clauses from the period prior to becoming a Party.

SECTION II – OBLIGATIONS OF THE PARTIES

Clause 8

Data protection safeguards

The data exporter warrants that it has used reasonable efforts to determine that the data importer is able, through the implementation of appropriate technical and organisational measures, to satisfy its obligations under these Clauses.

8.1 Instructions

(a) The data importer shall process the personal data only on documented instructions from the data exporter. The data exporter may give such instructions throughout the duration of the contract.

(b) The data importer shall immediately inform the data exporter if it is unable to follow those instructions.

8.2 Purpose limitation

The data importer shall process the personal data only for the specific purpose(s) of the transfer, as set out in Annex I.B, unless on further instructions from the data exporter.

8.3 Transparency

On request, the data exporter shall make a copy of these Clauses, including the Appendix as completed by the Parties, available to the data subject free of charge. To the extent necessary to protect business secrets or other confidential information, including the measures described in Annex II and personal data, the data exporter may redact part of the text of the Appendix to these Clauses prior to sharing a copy, but shall provide a meaningful summary where the data subject would otherwise not be able to understand the its content or exercise his/her rights. On request, the Parties shall provide the data subject with the reasons for the redactions, to the extent possible without revealing the redacted information. This Clause is without prejudice to the obligations of the data exporter under Articles 13 and 14 of Regulation (EU) 2016/679.

8.4 Accuracy

If the data importer becomes aware that the personal data it has received is inaccurate, or has become outdated, it shall inform the data exporter without undue delay. In this case, the data importer shall cooperate with the data exporter to erase or rectify the data.

8.5 Duration of processing and erasure or return of data

Processing by the data importer shall only take place for the duration specified in Annex I.B. After the end of the provision of the processing services, the data importer shall, at the choice of the data exporter, delete all personal data processed on behalf of the data exporter and certify to the data exporter that it has done so, or return to the data exporter all personal data processed on its behalf and delete existing copies. Until the data is deleted or returned, the data importer shall continue to ensure compliance with these Clauses. In case of local laws applicable to the data importer that prohibit return or deletion of the personal data, the data importer warrants that it will continue to ensure compliance with these Clauses and will only process it to the extent and for as long as required under that local law. This is without prejudice to Clause 14, in particular the requirement for the data importer under Clause 14(e) to notify the data exporter throughout the duration of the contract if it has reason to believe that it is or has become subject to laws or practices not in line with the requirements under Clause 14(a).

8.6 Security of processing

(a) The data importer and, during transmission, also the data exporter shall implement appropriate technical and organisational measures to ensure the security of the data, including protection against a breach of security leading

to accidental or unlawful destruction, loss, alteration, unauthorised disclosure or access to that data (hereinafter “personal data breach”). In assessing the appropriate level of security, the Parties shall take due account of the state of the art, the costs of implementation, the nature, scope, context and purpose(s) of processing and the risks involved in the processing for the data subjects. The Parties shall in particular consider having recourse to encryption or pseudonymisation, including during transmission, where the purpose of processing can be fulfilled in that manner. In case of pseudonymisation, the additional information for attributing the personal data to a specific data subject shall, where possible, remain under the exclusive control of the data exporter. In complying with its obligations under this paragraph, the data importer shall at least implement the technical and organisational measures specified in Annex II. The data importer shall carry out regular checks to ensure that these measures continue to provide an appropriate level of security.

(b) The data importer shall grant access to the personal data to members of its personnel only to the extent strictly necessary for the implementation, management and monitoring of the contract. It shall ensure that persons authorised to process the personal data have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality.

(c) In the event of a personal data breach concerning personal data processed by the data importer under these Clauses, the data importer shall take appropriate measures to address the breach, including measures to mitigate its adverse effects. The data importer shall also notify the data exporter without undue delay after having become aware of the breach. Such notification shall contain the details of a contact point where more information can be obtained, a description of the nature of the breach (including, where possible, categories and approximate number of data subjects and personal data records concerned), its likely consequences and the measures taken or proposed to address the breach including, where appropriate, measures to mitigate its possible adverse effects. Where, and in so far as, it is not possible to provide all information at the same time, the initial notification shall contain the information then available and further information shall, as it becomes available, subsequently be provided without undue delay.

(d) The data importer shall cooperate with and assist the data exporter to enable the data exporter to comply with its obligations under Regulation (EU) 2016/679, in particular to notify the competent supervisory authority and the affected data subjects, taking into account the nature of processing and the information available to the data importer.

8.7 Sensitive data

Where the transfer involves personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, genetic data, or biometric data for the purpose of uniquely identifying a natural person, data concerning health or a person's sex life or sexual orientation, or data relating to criminal convictions and offences (hereinafter "sensitive data"), the data importer shall apply the specific restrictions and/or additional safeguards described in Annex I.B.

8.8 Onward transfers

The data importer shall only disclose the personal data to a third party on documented instructions from the data exporter. In addition, the data may only be disclosed to a third party located outside the European Union[5] (in the same country as the data importer or in another third country, hereinafter "onward transfer") if the third party is or agrees to be bound by these Clauses, under the appropriate Module, or if:

(i) the onward transfer is to a country benefitting from an adequacy decision pursuant to Article 45 of Regulation (EU) 2016/679 that covers the onward transfer;

(ii) the third party otherwise ensures appropriate safeguards pursuant to Articles 46 or 47 Regulation of (EU) 2016/679 with respect to the processing in question;

(iii) the onward transfer is necessary for the establishment, exercise or defence of legal claims in the context of specific administrative, regulatory or judicial proceedings; or

(iv) the onward transfer is necessary in order to protect the vital interests of the data subject or of another natural person.

Any onward transfer is subject to compliance by the data importer with all the other safeguards under these Clauses, in particular purpose limitation.

[5] The Agreement on the European Economic Area (EEA Agreement) provides for the extension of the European Union's internal market to the three EEA States Iceland, Liechtenstein and Norway. The Union data protection legislation, including Regulation (EU) 2016/679, is covered by the EEA Agreement and has been incorporated into Annex XI thereto. Therefore, any disclosure by the data importer to a third party located in the EEA does not qualify as an onward transfer for the purpose of these Clauses.

8.9 Documentation and compliance

(a) The data importer shall promptly and adequately deal with enquiries from the data exporter that relate to the processing under these Clauses.

(b) The Parties shall be able to demonstrate compliance with these Clauses. In particular, the data importer shall keep appropriate documentation on the processing activities carried out on behalf of the data exporter.

(c) The data importer shall make available to the data exporter all information necessary to demonstrate compliance with the obligations set out in these Clauses and at the data exporter's request, allow for and contribute to audits of the processing activities covered by these Clauses, at reasonable intervals or if there are indications of non-compliance. In deciding on a review or audit, the data exporter may take into account relevant certifications held by the data importer.

(d) The data exporter may choose to conduct the audit by itself or mandate an independent auditor. Audits may include inspections at the premises or physical facilities of the data importer and shall, where appropriate, be carried out with reasonable notice.

(e) The Parties shall make the information referred to in paragraphs (b) and (c), including the results of any audits, available to the competent supervisory authority on request.

Clause 9

Use of sub-processors

(a) The data importer shall not sub-contract any of its processing activities performed on behalf of the data exporter under these Clauses to a sub-processor without the data exporter's prior specific written authorisation. The data importer shall submit the request for specific authorisation at least 3 months prior to the engagement of the sub-processor, together with the information necessary to enable the data exporter to decide on the authorisation. The list of sub-processors already authorised by the data exporter can be found in Annex III. The Parties shall keep Annex III up to date.

(b) Where the data importer engages a sub-processor to carry out specific processing activities (on behalf of the data exporter), it shall do so by way of a written contract that provides for, in substance, the same data protection obligations as those binding the data importer under these Clauses, including in terms of third-party beneficiary rights for data subjects.[6] The Parties agree that, by complying with this Clause, the data importer fulfils its obligations

[6] This requirement may be satisfied by the sub-processor acceding to these Clauses under the appropriate Module, in accordance with Clause 7.

under Clause 8.8. The data importer shall ensure that the sub-processor complies with the obligations to which the data importer is subject pursuant to these Clauses.

(c) The data importer shall provide, at the data exporter's request, a copy of such a sub-processor agreement and any subsequent amendments to the data exporter. To the extent necessary to protect business secrets or other confidential information, including personal data, the data importer may redact the text of the agreement prior to sharing a copy.

(d) The data importer shall remain fully responsible to the data exporter for the performance of the sub-processor's obligations under its contract with the data importer. The data importer shall notify the data exporter of any failure by the sub-processor to fulfil its obligations under that contract.

(e) The data importer shall agree a third-party beneficiary clause with the sub-processor whereby - in the event the data importer has factually disappeared, ceased to exist in law or has become insolvent - the data exporter shall have the right to terminate the sub-processor contract and to instruct the sub-processor to erase or return the personal data.

Clause 10

Data subject rights

(a) The data importer shall promptly notify the data exporter of any request it has received from a data subject. It shall not respond to that request itself unless it has been authorised to do so by the data exporter.

(b) The data importer shall assist the data exporter in fulfilling its obligations to respond to data subjects' requests for the exercise of their rights under Regulation (EU) 2016/679. In this regard, the Parties shall set out in Annex II the appropriate technical and organisational measures, taking into account the nature of the processing, by which the assistance shall be provided, as well as the scope and the extent of the assistance required.

(c) In fulfilling its obligations under paragraphs (a) and (b), the data importer shall comply with the instructions from the data exporter.

Clause 11

Redress

(a) The data importer shall inform data subjects in a transparent and easily accessible format, through individual notice or on its website, of a contact point

authorised to handle complaints. It shall deal promptly with any complaints it receives from a data subject.

(b) In case of a dispute between a data subject and one of the Parties as regards compliance with these Clauses, that Party shall use its best efforts to resolve the issue amicably in a timely fashion. The Parties shall keep each other informed about such disputes and, where appropriate, cooperate in resolving them.

(c) Where the data subject invokes a third-party beneficiary right pursuant to Clause 3, the data importer shall accept the decision of the data subject to:

(i) lodge a complaint with the supervisory authority in the Member State of his/her habitual residence or place of work, or the competent supervisory authority pursuant to Clause 13;

(ii) refer the dispute to the competent courts within the meaning of Clause 18.

(d) The Parties accept that the data subject may be represented by a not-for-profit body, organisation or association under the conditions set out in Article 80(1) of Regulation (EU) 2016/679.

(e) The data importer shall abide by a decision that is binding under the applicable EU or Member State law.

(f) The data importer agrees that the choice made by the data subject will not prejudice his/her substantive and procedural rights to seek remedies in accordance with applicable laws.

Clause 12

Liability

(a) Each Party shall be liable to the other Party/ies for any damages it causes the other Party/ies by any breach of these Clauses.

(b) The data importer shall be liable to the data subject, and the data subject shall be entitled to receive compensation, for any material or non-material damages the data importer or its sub-processor causes the data subject by breaching the third-party beneficiary rights under these Clauses.

(c) Notwithstanding paragraph (b), the data exporter shall be liable to the data subject, and the data subject shall be entitled to receive compensation, for any material or non-material damages the data exporter or the data importer (or its sub-processor) causes the data subject by breaching the third-party beneficiary rights under these Clauses. This is without prejudice to the liability of the data exporter and, where the data exporter is a processor acting on

behalf of a controller, to the liability of the controller under Regulation (EU) 2016/679 or Regulation (EU) 2018/1725, as applicable.

(d) The Parties agree that if the data exporter is held liable under paragraph (c) for damages caused by the data importer (or its sub-processor), it shall be entitled to claim back from the data importer that part of the compensation corresponding to the data importer's responsibility for the damage.

(e) Where more than one Party is responsible for any damage caused to the data subject as a result of a breach of these Clauses, all responsible Parties shall be jointly and severally liable and the data subject is entitled to bring an action in court against any of these Parties.

(f) The Parties agree that if one Party is held liable under paragraph (e), it shall be entitled to claim back from the other Party/ies that part of the compensation corresponding to its / their responsibility for the damage.

(g) The data importer may not invoke the conduct of a sub-processor to avoid its own liability.

Clause 13

Supervision

(a) [Where the data exporter is established in an EU Member State:] The supervisory authority with responsibility for ensuring compliance by the data exporter with Regulation (EU) 2016/679 as regards the data transfer, as indicated in Annex I.C, shall act as competent supervisory authority.

[Where the data exporter is not established in an EU Member State, but falls within the territorial scope of application of Regulation (EU) 2016/679 in accordance with its Article 3(2) and has appointed a representative pursuant to Article 27(1) of Regulation (EU) 2016/679:] The supervisory authority of the Member State in which the representative within the meaning of Article 27(1) of Regulation (EU) 2016/679 is established, as indicated in Annex I.C, shall act as competent supervisory authority.

[Where the data exporter is not established in an EU Member State, but falls within the territorial scope of application of Regulation (EU) 2016/679 in accordance with its Article 3(2) without however having to appoint a representative pursuant to Article 27(2) of Regulation (EU) 2016/679:] The supervisory authority of one of the Member States in which the data subjects whose personal data is transferred under these Clauses in relation to the offering of goods or services to them, or whose behaviour is monitored, are located, as indicated in Annex I.C, shall act as competent supervisory authority.

(b) The data importer agrees to submit itself to the jurisdiction of and cooperate with the competent supervisory authority in any procedures aimed at ensuring compliance with these Clauses. In particular, the data importer agrees to

respond to enquiries, submit to audits and comply with the measures adopted by the supervisory authority, including remedial and compensatory measures. It shall provide the supervisory authority with written confirmation that the necessary actions have been taken.

SECTION III – LOCAL LAWS AND OBLIGATIONS IN CASE OF ACCESS BY PUBLIC AUTHORITIES

Clause 14

Local laws and practices affecting compliance with the Clauses

(a) The Parties warrant that they have no reason to believe that the laws and practices in the third country of destination applicable to the processing of the personal data by the data importer, including any requirements to disclose personal data or measures authorising access by public authorities, prevent the data importer from fulfilling its obligations under these Clauses. This is based on the understanding that laws and practices that respect the essence of the fundamental rights and freedoms and do not exceed what is necessary and proportionate in a democratic society to safeguard one of the objectives listed in Article 23(1) of Regulation (EU) 2016/679, are not in contradiction with these Clauses.

(b) The Parties declare that in providing the warranty in paragraph (a), they have taken due account in particular of the following elements:

(i) the specific circumstances of the transfer, including the length of the processing chain, the number of actors involved and the transmission channels used; intended onward transfers; the type of recipient; the purpose of processing; the categories and format of the transferred personal data; the economic sector in which the transfer occurs; the storage location of the data transferred;

(ii) the laws and practices of the third country of destination– including those requiring the disclosure of data to public authorities or authorising access by such authorities – relevant in light of the specific circumstances of the transfer, and the applicable limitations and safeguards[7];

[7] As regards the impact of such laws and practices on compliance with these Clauses, different elements may be considered as part of an overall assessment. Such elements may include relevant and documented practical experience with prior instances of requests for disclosure from public authorities, or the absence of such requests, covering a sufficiently representative time-frame. This refers in particular to internal records or other documentation, drawn up on a continuous basis in accordance with due diligence and certified at senior management level,

(iii) any relevant contractual, technical or organisational safeguards put in place to supplement the safeguards under these Clauses, including measures applied during transmission and to the processing of the personal data in the country of destination.

(c) The data importer warrants that, in carrying out the assessment under paragraph (b), it has made its best efforts to provide the data exporter with relevant information and agrees that it will continue to cooperate with the data exporter in ensuring compliance with these Clauses.

(d) The Parties agree to document the assessment under paragraph (b) and make it available to the competent supervisory authority on request.

(e) The data importer agrees to notify the data exporter promptly if, after having agreed to these Clauses and for the duration of the contract, it has reason to believe that it is or has become subject to laws or practices not in line with the requirements under paragraph (a), including following a change in the laws of the third country or a measure (such as a disclosure request) indicating an application of such laws in practice that is not in line with the requirements in paragraph (a).

(f) Following a notification pursuant to paragraph (e), or if the data exporter otherwise has reason to believe that the data importer can no longer fulfil its obligations under these Clauses, the data exporter shall promptly identify appropriate measures (e.g. technical or organisational measures to ensure security and confidentiality) to be adopted by the data exporter and/or data importer to address the situation. The data exporter shall suspend the data transfer if it considers that no appropriate safeguards for such transfer can be ensured, or if instructed by the competent supervisory authority to do so. In this case, the data exporter shall be entitled to terminate the contract, insofar as it concerns the processing of personal data under these Clauses. If the contract involves more than two Parties, the data exporter may exercise this right to termination only with respect to the relevant Party, unless the Parties have agreed otherwise. Where the contract is terminated pursuant to this Clause, Clause 16(d) and (e) shall apply.

provided that this information can be lawfully shared with third parties. Where this practical experience is relied upon to conclude that the data importer will not be prevented from complying with these Clauses, it needs to be supported by other relevant, objective elements, and it is for the Parties to consider carefully whether these elements together carry sufficient weight, in terms of their reliability and representativeness, to support this conclusion. In particular, the Parties have to take into account whether their practical experience is corroborated and not contradicted by publicly available or otherwise accessible, reliable information on the existence or absence of requests within the same sector and/or the application of the law in practice, such as case law and reports by independent oversight bodies.

Clause 15

Obligations of the data importer in case of access by public authorities

15.1 Notification

(a) The data importer agrees to notify the data exporter and, where possible, the data subject promptly (if necessary with the help of the data exporter) if it:

(i) receives a legally binding request from a public authority, including judicial authorities, under the laws of the country of destination for the disclosure of personal data transferred pursuant to these Clauses; such notification shall include information about the personal data requested, the requesting authority, the legal basis for the request and the response provided; or

(ii) becomes aware of any direct access by public authorities to personal data transferred pursuant to these Clauses in accordance with the laws of the country of destination; such notification shall include all information available to the importer.

(b) If the data importer is prohibited from notifying the data exporter and/or the data subject under the laws of the country of destination, the data importer agrees to use its best efforts to obtain a waiver of the prohibition, with a view to communicating as much information as possible, as soon as possible. The data importer agrees to document its best efforts in order to be able to demonstrate them on request of the data exporter.

(c) Where permissible under the laws of the country of destination, the data importer agrees to provide the data exporter, at regular intervals for the duration of the contract, with as much relevant information as possible on the requests received (in particular, number of requests, type of data requested, requesting authority/ies, whether requests have been challenged and the outcome of such challenges, etc.).

(d) The data importer agrees to preserve the information pursuant to paragraphs (a) to (c) for the duration of the contract and make it available to the competent supervisory authority on request.

(e) Paragraphs (a) to (c) are without prejudice to the obligation of the data importer pursuant to Clause 14(e) and Clause 16 to inform the data exporter promptly where it is unable to comply with these Clauses.

15.2 Review of legality and data minimisation

(a) The data importer agrees to review the legality of the request for disclosure, in particular whether it remains within the powers granted to the requesting public authority, and to challenge the request if, after careful assessment, it

concludes that there are reasonable grounds to consider that the request is unlawful under the laws of the country of destination, applicable obligations under international law and principles of international comity. The data importer shall, under the same conditions, pursue possibilities of appeal. When challenging a request, the data importer shall seek interim measures with a view to suspending the effects of the request until the competent judicial authority has decided on its merits. It shall not disclose the personal data requested until required to do so under the applicable procedural rules. These requirements are without prejudice to the obligations of the data importer under Clause 14(e).

(b) The data importer agrees to document its legal assessment and any challenge to the request for disclosure and, to the extent permissible under the laws of the country of destination, make the documentation available to the data exporter. It shall also make it available to the competent supervisory authority on request.

(c) The data importer agrees to provide the minimum amount of information permissible when responding to a request for disclosure, based on a reasonable interpretation of the request.

SECTION IV – FINAL PROVISIONS

Clause 16

Non-compliance with the Clauses and termination

(a) The data importer shall promptly inform the data exporter if it is unable to comply with these Clauses, for whatever reason.

(b) In the event that the data importer is in breach of these Clauses or unable to comply with these Clauses, the data exporter shall suspend the transfer of personal data to the data importer until compliance is again ensured or the contract is terminated. This is without prejudice to Clause 14(f).

(c) The data exporter shall be entitled to terminate the contract, insofar as it concerns the processing of personal data under these Clauses, where:

(i) the data exporter has suspended the transfer of personal data to the data importer pursuant to paragraph (b) and compliance with these Clauses is not restored within a reasonable time and in any event within one month of suspension;

(ii) the data importer is in substantial or persistent breach of these Clauses; or

(iii) the data importer fails to comply with a binding decision of a competent court or supervisory authority regarding its obligations under these Clauses.

In these cases, it shall inform the competent supervisory authority of such non-compliance. Where the contract involves more than two Parties, the data exporter may exercise this right to termination only with respect to the relevant Party, unless the Parties have agreed otherwise.

(d) Personal data that has been transferred prior to the termination of the contract pursuant to paragraph (c) shall at the choice of the data exporter immediately be returned to the data exporter or deleted in its entirety. The same shall apply to any copies of the data. The data importer shall certify the deletion of the data to the data exporter. Until the data is deleted or returned, the data importer shall continue to ensure compliance with these Clauses. In case of local laws applicable to the data importer that prohibit the return or deletion of the transferred personal data, the data importer warrants that it will continue to ensure compliance with these Clauses and will only process the data to the extent and for as long as required under that local law.

(e) Either Party may revoke its agreement to be bound by these Clauses where (i) the European Commission adopts a decision pursuant to Article 45(3) of Regulation (EU) 2016/679 that covers the transfer of personal data to which these Clauses apply; or (ii) Regulation (EU) 2016/679 becomes part of the legal framework of the country to which the personal data is transferred. This is without prejudice to other obligations applying to the processing in question under Regulation (EU) 2016/679.

Clause 17

Governing law

[OPTION 1: These Clauses shall be governed by the law of one of the EU Member States, provided such law allows for third-party beneficiary rights. The Parties agree that this shall be the law of _____ (*specify Member State*).]

[OPTION 2: These Clauses shall be governed by the law of the EU Member State in which the data exporter is established. Where such law does not allow for third-party beneficiary rights, they shall be governed by the law of another EU Member State that does allow for third-party beneficiary rights. The Parties agree that this shall be the law of _____ (*specify Member State*).]

Clause 18

Choice of forum and jurisdiction

(a) Any dispute arising from these Clauses shall be resolved by the courts of an EU Member State.

(b) The Parties agree that those shall be the courts of _____ (*specify Member State*).

(c) A data subject may also bring legal proceedings against the data exporter and/or data importer before the courts of the Member State in which he/she has his/her habitual residence.

(d) The Parties agree to submit themselves to the jurisdiction of such courts.

APPENDIX

EXPLANATORY NOTE:

It must be possible to clearly distinguish the information applicable to each transfer or category of transfers and, in this regard, to determine the respective role(s) of the Parties as data exporter(s) and/or data importer(s). This does not necessarily require completing and signing separate appendices for each transfer/category of transfers and/or contractual relationship, where this transparency can achieved through one appendix. However, where necessary to ensure sufficient clarity, separate appendices should be used.

ANNEX I

A. LIST OF PARTIES

Data exporter(s):

Name: The Secretary of State for Education (acting through the Department for Education)

Address: Sanctuary Buildings, Great Smith Street, London SW1P 3BT

Contact person's name, position and contact details: [Redacted]

Activities relevant to the data transferred under these Clauses: See Nature and purposes of the processing row in the table at paragraph 1.5 above.

Signature and date: …

Role (controller/processor): Controller

Data importer(s):

Name: Tata Consultancy Serivces Limited

Address: Nirmal Building, 9th Floor, Nariman Point, Mumbai 400 021, India

Contact person's name, position and contact details: [Redacted]

Activities relevant to the data transferred under these Clauses: See Nature and purposes of the processing row in the table at paragraph 1.5 above.

Signature and date:

Role (controller/processor): Processor

B. DESCRIPTION OF TRANSFER

Categories of data subjects whose personal data is transferred

See Categories of Data Subject row in the table at paragraph 1.5 above.

……..

Categories of personal data transferred

See Type(s) of Personal Data row in the table at paragrpah 1.5 above.

……..

Sensitive data transferred (if applicable) and applied restrictions or safeguards that fully take into consideration the nature of the data and the risks involved, such as for instance strict purpose limitation, access restrictions (including access only for staff having followed specialised training), keeping a record of access to the data, restrictions for onward transfers or additional security measures.

See Type(s) of Personal Data row in the table at paragrpah 1.5 above.

……..

The frequency of the transfer (e.g. whether the data is transferred on a one-off or continuous basis).

Continuous.

……

Nature of the processing

See Nature and purposes of the processing row in the table at paragraph 1.5 above.

……

Purpose(s) of the data transfer and further processing

See Nature and purposes of the processing row in the table at paragraph 1.5 above.

……..

The period for which the personal data will be retained, or, if that is not possible, the criteria used to determine that period

See Duration of the processing row in the table at paragraph 1.5 above.

……..

For transfers to (sub-) processors, also specify subject matter, nature and duration of the processing

As above for the duration of the sub-processor's appointment by the Supplier under this Agreement.

……..

C. COMPETENT SUPERVISORY AUTHORITY

The Office of the Information Commissioner

……..

ANNEX II - TECHNICAL AND ORGANISATIONAL MEASURES INCLUDING TECHNICAL AND ORGANISATIONAL MEASURES TO ENSURE THE SECURITY OF THE DATA

TCS Technical and Organizational Measures of information security

The Supplier has defined and implemented an Information Security Management System (ISMS) framework across the organization based on the ISO 27001 standard which consist of the following:

- Security Policy
- Security Requirements
- Standards, Procedures and Guidelines

The Supplier iQMS provides management direction and commitment towards information security. The Supplier is certified enterprise-wide for the following standards:

- ISO 9001:2015 Quality Management
- ISO 20000: 2011-12 IT Service Management
- ISO 22301:2019 Business Continuity Management
- ISO 27001:2013 Information Security Management, including compliance checks for:
  - ISO 27017:2015 Information Security Controls for Cloud Service
  - ISO 27018:2019 Code of practice for protection of personally identifiable information (PII) in public clouds acting as PII processors

Re-certification audit happens once in every three years and surveillance audit happens every year.

The security management system is designed based on risk assessment and is periodically reviewed to ensure that it remains relevant to the Supplier' operations. The security policies and procedures document and address confidentiality, integrity, and availability of information assets. the Supplier policies and guidelines cover the following domains

- Information security policies
- Organization of information security
- Human resource security
- Asset management
- Access Control
- Cryptography
- Physical and environmental security

- Operations security
- Communications security
- System acquisition, development, and maintenance
- Supplier relationships
- Information security incident management
- Information Security aspects of business continuity management
- Compliance

The Supplier has a separate Privacy policy and has addressed privacy aspects specifically in the policy and procedures to ensure that all collection, processing, and dissemination of personal information is done under a controlled manner.

A. Information Security Organization

The Supplier has an independent and dedicated Information Security function responsible for the design, deployment and operations of security controls and security governance throughout the organization. The function is headed by the Chief Security Officer (CSO) who reports to the Executive Director and Chief Operating Officer (COO). The CSO is assisted by a team of Information Security Managers (ISM) who manage Information Security at every business units of the Supplier

B. Risk Management

The Supplier has well defined Risk Management framework with documented procedures and guidelines on the same.

Risk assessment is carried out in order to assess the security threats impacting confidentiality, integrity and availability during the lifecycle of the operations, including projects, production systems and support functions, covering but not limited to Contractual obligations, Regulatory obligations, Operational and Delivery challenges, Environmental changes, Interdependency of services, Business seasonal variations and Reputation.

As part of the risk analysis, all sources are evaluated to identify the security risks. Risks are identified considering the service, asset or information/data and the applicable threats, vulnerabilities, probability of occurrence and loss impact.

Risks are prioritized, based on risk exposure and impact, and treated. The Risk Owner is responsible for periodic monitoring of the risks, controls are functioning effectively, ensuring that mitigation plans are being executed and contingency plans are in place.

During operations, on an on-going basis, new risks are identified and treated. Risks are formally logged and tracked through a risk register.

Whenever there is change in the circumstances / scenario, the existing risks are re-evaluated and updated by the Risk Owner. The Mitigation plan or Contingency plan are also revised as required. Top risks with significant impact (high-risk exposure or

high impact risks) are reported to Senior Management and/or customer, as applicable.

C. Personnel Security Controls

The Supplier Personnel Security policy covers pre and post-employment security measures apart from the measure while being in employment including but not limited to Acceptable Usage Policies.

All associates are required to sign and abide by,

- Confidentiality and IPR Agreement
- Associate Declaration
- Tata Code of Conduct

Mandatory third-party background verification checks are done for all associates who join the Supplier. This check is performed subject to the laws of the land.

All associates undergo security awareness orientation as part of their induction to the Supplier. All new joiners in the Supplier are required to mandatorily complete information security awareness course within 30 days of joining and thereafter every year.

Security Awareness program is used to sensitize the associate on the following. The Security awareness training program includes but not limited to the following contents

- Security practices - Do's and Don'ts
- Acceptable usage of IT resources which includes email, network, systems, application, and internet
- Password Management
- Intellectual Property Rights
- Social Engineering
- Security incident reporting process and associate's responsibility towards it
- Consequence of Security, Privacy breaches, etc.

The security awareness training program is followed up periodically with methods like email broadcasts, town-halls, posters, refresher training, etc. Also, annually game, and fun based events are carried out with theme as Information security to maintain and improve the security awareness of the users in the organization.

When joining an engagement, additional induction training is conducted to brief the joiners about the contractual requirements and customer specific information security requirements.

All employees and contract staff are required to sign Confidentiality and Non-Disclosure Agreement and the security declaration form at the time of joining the organization where they confirm that they have understood the requirements of the Supplier Security Policy and that they accept to abide by it.

D. Physical and Environmental Protection

The Supplier has implemented security controls to protect the Supplier facilities and all information assets from unauthorized physical access, safeguard against environmental threats, hazards, natural calamity, manmade disasters, espionage, sabotage, damage, and theft.

Following are the controls implemented in the Supplier premises to ensure physical and environmental security.

- Physical access is restricted in the Supplier premises and it is controlled through electronic access cards.
- Physical access is provided to authorized associates only.
- Sensitive areas such as data centers are further secured by two-factor authentication, e.g. consisting of biometric readers and PIN pads in addition to access card readers, with access limited to authorized personnel only.
- CCTV is installed at critical entry and exits points of the facility.
- 'Clear Screen and Clear Desk Policy' adopted to reduce risk of unauthorized access, damage to and loss of information both during and outside working hours.
- Use of photographic, video, or other recording equipment is prohibited.
- Communication cables are protected by concealed installation and locked inspection / termination points.
- Visitor passes are issued to all visitors and they need to be escorted into work areas/ secure areas throughout their presence in the Supplier premises.

E. Environmental Protection

Special care is taken to maintain the temperature and humidity conditions for the restricted areas such as data center, server room. Appropriate Heating, ventilation, and air conditioning (HVAC) controls are deployed.

Essential equipment is protected from power failures / disruptions and other anomalies such as power surges and spikes through UPS (Uninterrupted power supply) units. Where power supply is irregular, diesel generators are made available for emergency electrical supplies.

Fire extinguishers are placed at different locations with a sign/display board for early action in case of fire. Restricted areas such as data center, server rooms have Very Early Smoke Detection Apparatus, Fire Suppression systems and water leak detection system installed. Fire Exit doors are marked with signages at adequate places and are enabled on shunt mode. Smoke detection system covers all the areas (including the common areas used exclusively by the Supplier) and is integrated with the fire alarm system of the building.

Training of the fire marshals and evacuation drills are conducted by the administration team on a quarterly basis.

F. Information classification

The Supplier follows the following data classification schemes.

- Restricted

- Confidential
- Internal Use
- Public

All third party or customer provided information is treated as Confidential unless specified otherwise by the third party/customer and all the controls as applicable to that category of assets are applied.

G. Network Security Controls

The following controls are applicable to the network environment which is managed by the Supplier.

- Network used to provide services to customer is separated from the the Supplier and other customer networks by Firewall.
- Network and server components used for providing services are hardened based on the Supplier Baseline security configuration and undergo periodic vulnerability assessment.
- the Supplier perimeter network is controlled by Firewalls and Intrusion Prevention Systems, where the perimeter devices undergo annual penetration testing.
- Access to the network devices and servers are controlled and restricted to authorized members of the IT team only.
- Logging is enabled on network components like firewalls and routers and on servers. They are monitored for any suspicious activity.
- All workstations and applications are password protected, providing the second level of security.

H. Operations Security

The following controls are applicable to the environment which is managed by the Supplier.

- Project maintains an inventory of its servers and desktops.
- Software installation is done only by a controlled process with strict compliance to software licensing.
- Access to resources are restricted based on user authentication and access lists. Access permissions are so defined that it is restricted to include only authorized associates of the project.
- Access to any system is provided on a need basis based on the role of the associate, adhering to the principle of least privilege.
- Associates have only user level privileges and the Infrastructure team controls the Administrative privileges.
- the Supplier Desktop and Server security measures are enforced through a Windows Domain set-up. Password policy, user account lockout policy, desktop settings, screen savers, automatic locking of user desktop after a specific period of inactivity, auditing policy are set through group policies of the Windows Domain. Removable media ports are disabled by default and DLP agents are installed on all endpoints.

- Internet access is restricted through URL filtering tools and access to sites with no business need is restricted.
- Audit trails are maintained on user transactions and failed access attempts. System Event Logs are regularly monitored by the Infrastructure team.
- Servers and Desktops, before being released from the project module are sanitized and certified those are safe to be taken out, and then moved out from the project.
- All hard disks are demagnetized prior to disposal.
- Patch management process is defined and followed. the Supplier Infrastructure Team performs testing, installation, and review of the patches.

I. Logical access Controls

Tthe Supplier follows a well-defined access management process.

- All users have a unique User ID on systems for their official use and are solely responsible for all events traced to that specific ID.
- All logical access is granted on role and need basis only.
- By default, all associates are granted user level access. Administrative privileges are granted on need basis. Principle of least access and periodic access reconciliation are strictly followed. Elevated privilege is granted through change management process and for least essential duration.
- Access to all systems and applications are revoked immediately when an associate is released from project and or separated from the Supplier. the Supplier' In-house application is deployed to automatically revoke physical access as well as project-level logical resources on the last day of an associate in a project or on separation. Customers are informed of need to revoke access towards customer environment and applications. Access to organization level resources are revoked through identity and access management tool.
- Separation of application development, testing and production environments are ensured.

J. Desktop / Laptop Controls

The following controls are applicable to the desktops / Laptops provided by the Supplier.

- CD/DVD and USB ports of the user's machine are disabled by default, thus preventing the associate from exchanging any data through unauthorized means. It also mitigates the risk of virus infection.
- Every desktop/laptop is installed with the the Supplier Standard Operating Environment (SOE) or as mutually agreed with customer. The security applications are upgraded as and when new technology and upgrades are available.
- The software that are part of SOE on each the Supplier-managed and imaged desktop are
    - Windows Desktop Operating System
    - Disk Level encryption software like McAfee DES or Bitlocker.
    - Microsoft O365 / Open Office

- EDR Solution (Crowdstrike / Traps) and optionally, Symantec Endpoint Protection.
- DLP agent
- Web Security Solution (Bluecoat or Zscaler)
- Google Chrome / Internet explorer
- the Supplier in-house tools

- Hardening of all assets is done as per the the Supplier's hardening guidelines provided by Security Team.
- Any software not included in the SOE is obtained through a formal Change Management process and with approval from Customer and guided by software license agreement between the Supplier and Customer.
- All the desktops are reviewed periodically to check for software compliance.
- All endpoints (Laptops/Desktops) with the Supplier SOE have disk level encryption implemented.
- Web Security Solution is installed on laptops to ensure that only the Supplier authorized Internet sites are accessible even when the laptop is being used in a non-the Supplier controlled network.

K. Email Protection

The Supplier has deployed gateways for inbound email that can accept/reject an inbound email based on the reputation of the sender. In addition to this, the Supplier has deployed DMARC on inbound emails which takes a decision on the inbound email as per the sender's policy. the Supplier also uses TLS on its email gateway.

The Supplier has antivirus solutions deployed on email gateways at the perimeter and at the desktop/laptop/server level with a dedicated Infrastructure Services team managing the Anti-virus definition servers ensuring daily update of antivirus definitions and daily scheduling of scans. the Supplier deliberately uses different AV engines on endpoints and email gateways to add layers to its security.

Data Leakage Prevention is installed at email gateway. All e-mails are monitored and any email to Public email domains is blocked by default subject to local country regulations.

L. Information Backup Management

As per the applicability, following is undertaken as part of the Supplier data backup management policy

- Backups of the data on the servers are taken on DAT (Data Archival Tapes) / LTO (Linear Tape Open) media. All tapes are encrypted.
- Cyclic/periodic data backup for desktops/Servers/laptops are undertaken based upon the criticality and requirement.
- System state / configuration backup of all critical Servers and Network Equipment based on the frequency defined is carried out.

- The backup media is tested to ensure that they can be relied upon for emergency use whenever required. For this purpose, restoration checks are undertaken immediately on completion of backup.
- The Backup logs and Restoration test logs are retained for the period of one year.
- Backups are sent to alternate site for disaster recovery.
- Transportation of media is undertaken using anti-static box and with appropriate level of physical and environmental protection.
- All the media must be stored in a safe and secured environment in fire safe or equivalent. The data in the media is erased before reusing the media for other projects.
- Media is labeled as per the information classification and handled accordingly.

M. Security Audit / Review

The Supplier Delivery Manager appoints a non-dedicated member of his/her team as the Security Deployment Leader (SDL) as a point of contact representing the delivery team. The SDL ensure deployment of security processes within the customer projects as per the contractual and the Supplier security requirements. The SDL functionally reports to the Information Security Manager of the business unit.

The SDL, on behalf of the Delivery Manager, ensures compliance to Client Information Security Requirements. SDL is the link between onsite and offshore teams and ensures compliance to the Supplier and client security requirements. SDL is also responsible for ensuring training and awareness of associates in information security as per client and the Supplier requirements.

The SDL reports on the security posture of the projects and the Delivery Manager is responsible for reviewing the security posture and compliance to security requirements. The SDL, on behalf of the Delivery Manager, ensures that the deployed processes are validated periodically through internal security audits.

Internal security audits are conducted by Information Security Manager once in 12 months. Security gaps observed if any are recorded and tracked till closure.

N. Incident Management

The Supplier has well defined security incident Reporting and security incident handling procedures. All the security incidents are reported and recorded in the “Security Incident Management” portal. Associates are made aware of the means for reporting Security Incidents. Incident management portal is accessible to all the Supplier associates.

When a Security incident is logged, the Information Security Managers investigate the reported/identified security incident and identify the corrective and preventive actions to be taken. An assessment of a security incident based on the severity or impact of the incident. In case of Security Incidents, which may impact the customer, the incidents are notified to the customer. In case of Security violation/breach by a

the Supplier associate, disciplinary guidelines have been established by HR to take appropriate actions.

O. Business Continuity Management

The Supplier is enterprise-wide certified for ISO 22301:2019 (Business Continuity Management). the Supplier prepares a well-structured Business Continuity Plan (BCP) for each customer operations, thus ensuring service continuity in case of emergencies and thereby minimizing impact to customer's services and processes.

ANNEX III – LIST OF SUB-PROCESSORS

EXPLANATORY NOTE:

This Annex must be completed in case of the specific authorisation of sub-processors (Clause 9(a).

The controller has authorised the use of the following sub-processors:

1. Name: Mercer Limited

Address: 1 Tower Place West, 50 Lower Thames St, Tower, London, EC3R 5BU

Contact person's name, position and contact details: to be confirmed by the Supplier as soon as reasonably possible and in any event within thirty (30) days after the Effective Date.

Description of processing (including a clear delimitation of responsibilities in case several sub-processors are authorised): TBC

2. Name: MBA Group Limited

Address: MBA House, Garman Road, London, N17 0HW

Contact person's name, position and contact details: to be confirmed by the Supplier as soon as reasonably possible and in any event within thirty (30) days after the Effective Date.

Description of processing (including a clear delimitation of responsibilities in case several sub-processors are authorised): TBC

INTERNATIONAL DATA TRANSFER AGREEMENT ADDENDUM TO THE EU COMMISSION STANDARD CONTRACTUAL CLAUSES

Standard Data Protection Clauses to be issued by the Commissioner under S119A(1) Data Protection Act 2018

International Data Transfer Addendum to the EU Commission Standard Contractual Clauses

VERSION B1.0, in force 21 March 2022

This Addendum has been issued by the Information Commissioner for Parties making Restricted Transfers. The Information Commissioner considers that it provides Appropriate Safeguards for Restricted Transfers when it is entered into as a legally binding contract.

Part 1: Tables

Table 1: Parties

Start date	The Effective Date of the Agreement	
The Parties	**Exporter (who sends the Restricted Transfer)**	**Importer (who receives the Restricted Transfer)**
Parties' details	Full legal name: The Secretary of State for Education Trading name (if different): Main address (if a company registered address): Sanctuary Buildings, Great Smith Street, London, SW1P 3BT	Full legal name: Tata Consultancy Services Limited Trading name (if different): Main address (if a company registered address): 9th Floor, Nirmal Building, Nariman Point, Mumbai 400 021, India, via its UK Branch Office at 18 Grosvenor Place, London, SW1X 7HS, United Kingdom

	Official registration number (if any) (company number or similar identifier):	Official registration number (if any) (company number or similar identifier): a company registered in India under company number L22210MH1995PLC084781 UK Registration BR: 007627
Key Contact	[Redacted]	[Redacted]
Signature (if required for the purposes of Section 2)	Signature to the Agreement shall be considered as signature to this UK Addendum.	Signature to the Agreement shall be considered as signature to this UK Addendum.

Table 2: Selected SCCs, Modules and Selected Clauses

Addendum EU SCCs	☒The version of the Approved EU SCCs which this Addendum is appended to, detailed below, including the Appendix Information: Date: the date of the Agreement Reference (if any): Other identifier (if any): Or ☐ the Approved EU SCCs, including the Appendix Information and with only the following modules, clauses or optional provisions of the Approved EU SCCs brought into effect for the purposes of this Addendum:

Module	Module in operation	Clause 7 (Docking Clause)	Clause 11 (Option)	Clause 9a (Prior Authorisation or General Authorisation)	Clause 9a (Time period)	Is personal data received from the Importer combined with personal data collected by the Exporter?
1						

2	x	Incorporated	Excluded	Prior	3 months	No
3						
4						

Table 3: Appendix Information

"**Appendix Information**" means the information which must be provided for the selected modules as set out in the Appendix of the Approved EU SCCs (other than the Parties), and which for this Addendum is set out in:

Annex 1A: List of Parties: As set out in the version of the Approved EU SCCs which this addendum is appended to.
Annex 1B: Description of Transfer: As set out in the version of the Approved EU SCCs which this addendum is appended to.
Annex II: Technical and organisational measures including technical and organisational measures to ensure the security of the data: As set out in the version of the Approved EU SCCs which this addendum is appended to.
Annex III: List of Sub processors (Modules 2 and 3 only): As set out in the version of the Approved EU SCCs which this addendum is appended to.

Table 4: Ending this Addendum when the Approved Addendum Changes

Ending this Addendum when the Approved Addendum changes	Which Parties may end this Addendum as set out in Section 19: Importer ☒ Exporter neither Party

Part 2: Mandatory Clauses

Entering into this Addendum

1. Each Party agrees to be bound by the terms and conditions set out in this Addendum, in exchange for the other Party also agreeing to be bound by this Addendum.

2. Although Annex 1A and Clause 7 of the Approved EU SCCs require signature by the Parties, for the purpose of making Restricted Transfers, the Parties may enter into this Addendum in any way that makes them legally binding on the Parties and allows data subjects to enforce their rights as set out in this Addendum. Entering into this Addendum will have the same effect as signing the Approved EU SCCs and any part of the Approved EU SCCs.

Interpretation of this Addendum

3. Where this Addendum uses terms that are defined in the Approved EU SCCs those terms shall have the same meaning as in the Approved EU SCCs. In addition, the following terms have the following meanings:

Addendum	This International Data Transfer Addendum which is made up of this Addendum incorporating the Addendum EU SCCs.
Addendum EU SCCs	The version(s) of the Approved EU SCCs which this Addendum is appended to, as set out in Table 2, including the Appendix Information.
Appendix Information	As set out in Table 3.
Appropriate Safeguards	The standard of protection over the personal data and of data subjects' rights, which is required by UK Data Protection Laws when you are making a Restricted Transfer relying on standard data protection clauses under Article 46(2)(d) UK GDPR.
Approved Addendum	The template Addendum issued by the ICO and laid before Parliament in accordance with s119A of the Data Protection Act 2018 on 2 February 2022, as it is revised under Section 18.
Approved EU SCCs	The Standard Contractual Clauses set out in the Annex of Commission Implementing Decision (EU) 2021/914 of 4 June 2021.
ICO	The Information Commissioner.

Restricted Transfer	A transfer which is covered by Chapter V of the UK GDPR.
UK	The United Kingdom of Great Britain and Northern Ireland.
UK Data Protection Laws	All laws relating to data protection, the processing of personal data, privacy and/or electronic communications in force from time to time in the UK, including the UK GDPR and the Data Protection Act 2018.
UK GDPR	As defined in section 3 of the Data Protection Act 2018.

4. This Addendum must always be interpreted in a manner that is consistent with UK Data Protection Laws and so that it fulfils the Parties' obligation to provide the Appropriate Safeguards.

5. If the provisions included in the Addendum EU SCCs amend the Approved SCCs in any way which is not permitted under the Approved EU SCCs or the Approved Addendum, such amendment(s) will not be incorporated in this Addendum and the equivalent provision of the Approved EU SCCs will take their place.

6. If there is any inconsistency or conflict between UK Data Protection Laws and this Addendum, UK Data Protection Laws applies.

7. If the meaning of this Addendum is unclear or there is more than one meaning, the meaning which most closely aligns with UK Data Protection Laws applies.

8. Any references to legislation (or specific provisions of legislation) means that legislation (or specific provision) as it may change over time. This includes where that legislation (or specific provision) has been consolidated, re-enacted and/or replaced after this Addendum has been entered into.

Hierarchy

9. Although Clause 5 of the Approved EU SCCs sets out that the Approved EU SCCs prevail over all related agreements between the parties, the parties agree that, for Restricted Transfers, the hierarchy in Section 10 will prevail.

10. Where there is any inconsistency or conflict between the Approved Addendum and the Addendum EU SCCs (as applicable), the Approved Addendum

overrides the Addendum EU SCCs, except where (and in so far as) the inconsistent or conflicting terms of the Addendum EU SCCs provides greater protection for data subjects, in which case those terms will override the Approved Addendum.

11. Where this Addendum incorporates Addendum EU SCCs which have been entered into to protect transfers subject to the General Data Protection Regulation (EU) 2016/679 then the Parties acknowledge that nothing in this Addendum impacts those Addendum EU SCCs.

Incorporation of and changes to the EU SCCs

12. This Addendum incorporates the Addendum EU SCCs which are amended to the extent necessary so that:

    a. together they operate for data transfers made by the data exporter to the data importer, to the extent that UK Data Protection Laws apply to the data exporter's processing when making that data transfer, and they provide Appropriate Safeguards for those data transfers;

    b. Sections 9 to 11 override Clause 5 (Hierarchy) of the Addendum EU SCCs; and

    c. this Addendum (including the Addendum EU SCCs incorporated into it) is (1) governed by the laws of England and Wales and (2) any dispute arising from it is resolved by the courts of England and Wales, in each case unless the laws and/or courts of Scotland or Northern Ireland have been expressly selected by the Parties.

13. Unless the Parties have agreed alternative amendments which meet the requirements of Section 12, the provisions of Section 15 will apply.

14. No amendments to the Approved EU SCCs other than to meet the requirements of Section 12 may be made.

15. The following amendments to the Addendum EU SCCs (for the purpose of Section 12) are made:

    a. References to the "Clauses" means this Addendum, incorporating the Addendum EU SCCs;

    b. In Clause 2, delete the words:

> "and, with respect to data transfers from controllers to processors and/or processors to processors, standard contractual clauses pursuant to Article 28(7) of Regulation (EU) 2016/679";

c. Clause 6 (Description of the transfer(s)) is replaced with:

> "The details of the transfers(s) and in particular the categories of personal data that are transferred and the purpose(s) for which they are transferred) are those specified in Annex I.B where UK Data Protection Laws apply to the data exporter's processing when making that transfer.";

d. Clause 8.7(i) of Module 1 is replaced with:

> "it is to a country benefitting from adequacy regulations pursuant to Section 17A of the UK GDPR that covers the onward transfer";

e. Clause 8.8(i) of Modules 2 and 3 is replaced with:

> "the onward transfer is to a country benefitting from adequacy regulations pursuant to Section 17A of the UK GDPR that covers the onward transfer;"

f. References to "Regulation (EU) 2016/679", "Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation)" and "that Regulation" are all replaced by "UK Data Protection Laws". References to specific Article(s) of "Regulation (EU) 2016/679" are replaced with the equivalent Article or Section of UK Data Protection Laws;

g. References to Regulation (EU) 2018/1725 are removed;

h. References to the "European Union", "Union", "EU", "EU Member State", "Member State" and "EU or Member State" are all replaced with the "UK";

i. The reference to "Clause 12(c)(i)" at Clause 10(b)(i) of Module one, is replaced with "Clause 11(c)(i)";

j. Clause 13(a) and Part C of Annex I are not used;

k. The "competent supervisory authority" and "supervisory authority" are both replaced with the "Information Commissioner";

l. In Clause 16(e), subsection (i) is replaced with:

> "the Secretary of State makes regulations pursuant to Section 17A of the Data Protection Act 2018 that cover the transfer of personal data to which these clauses apply;";

m. Clause 17 is replaced with:

"These Clauses are governed by the laws of England and Wales.";

n. Clause 18 is replaced with:

"Any dispute arising from these Clauses shall be resolved by the courts of England and Wales. A data subject may also bring legal proceedings against the data exporter and/or data importer before the courts of any country in the UK. The Parties agree to submit themselves to the jurisdiction of such courts."; and

o. The footnotes to the Approved EU SCCs do not form part of the Addendum, except for footnotes 8, 9, 10 and 11.

Amendments to this Addendum

16. The Parties may agree to change Clauses 17 and/or 18 of the Addendum EU SCCs to refer to the laws and/or courts of Scotland or Northern Ireland.

17. If the Parties wish to change the format of the information included in Part 1: Tables of the Approved Addendum, they may do so by agreeing to the change in writing, provided that the change does not reduce the Appropriate Safeguards.

18. From time to time, the ICO may issue a revised Approved Addendum which:

a. makes reasonable and proportionate changes to the Approved Addendum, including correcting errors in the Approved Addendum; and/or

b. reflects changes to UK Data Protection Laws;

The revised Approved Addendum will specify the start date from which the changes to the Approved Addendum are effective and whether the Parties need to review this Addendum including the Appendix Information. This Addendum is automatically amended as set out in the revised Approved Addendum from the start date specified.

19. If the ICO issues a revised Approved Addendum under Section 18, if any Party selected in Table 4 "Ending the Addendum when the Approved Addendum changes", will as a direct result of the changes in the Approved Addendum have a substantial, disproportionate and demonstrable increase in:

a its direct costs of performing its obligations under the Addendum; and/or

b its risk under the Addendum,

and in either case it has first taken reasonable steps to reduce those costs or risks so that it is not substantial and disproportionate, then that Party may end this Addendum at the end of a reasonable notice period, by providing written notice for that period to the other Party before the start date of the revised Approved Addendum.

20. The Parties do not need the consent of any third party to make changes to this Addendum, but any changes must be made in accordance with its terms.

Alternative Part 2 Mandatory Clauses:

Mandatory Clauses	Part 2: Mandatory Clauses of the Approved Addendum, being the template Addendum B.1.0 issued by the ICO and laid before Parliament in accordance with s119A of the Data Protection Act 2018 on 2 February 2022, as it is revised under Section 18 of those Mandatory Clauses.