Crown Commercial Service

# CONTRACT

# BETWEEN

# DEPARTMENT FOR WORK AND PENSIONS

# - AND –

# SONIC COMMUNICATIONS LTD

# In respect of

# VEHICLE CONVERSION SERVICES

# CONTRACT REF – CCFM17A02

## PART 1 –CONTRACT ORDER FORM

### SECTION A

This Contract Order Form is issued in accordance with the provisions of the Dynamic Purchasing System (DPS) Agreement for the provision of Vehicle Conversion Services dated 24th August 2017.

The Supplier agrees to supply the Services specified below on and subject to the terms of this Contract.

For the avoidance of doubt this Contract consists of the terms set out in this Contract Order Form and the Contract Terms.

| | |
|---|---|
| **Order Number** | CCFM17A02 |
| **From** | Department for Work and Pensions ("CUSTOMER") |
| **To** | Sonic Communications Ltd ("SUPPLIER") |

### SECTION B

#### 1. CONTRACT PERIOD

| | |
|---|---|
| **1.1.** | **Commencement Date**: **5th January 2018** |
| **1.2.** | **Expiry Date**:<br><br>End date of Initial Period **4th January 2020**<br><br>End date of optional Extension Periods:<br><br>• Period 1 – **4th January 2021,** and;<br>• Period 2 **– 4th January 2022**<br><br>Minimum written notice to Supplier in respect of extensions: 30 days |

#### 2. GOODS AND/OR SERVICES

| | |
|---|---|
| **2.1** | **Goods and/or Services required**:<br><br>In Contract Schedule 2 (Goods and/or Services)<br>**ods and/or Services required**:<br><br>In Contract Schedule 2 (Goods and/or Services) |

#### 3. IMPLEMENTATION PLAN

| | |
|---|---|
| **3.1.** | **Implementation Plan**:<br><br>Not applied |

## 4. CONTRACT PERFORMANCE

| | |
|---|---|
| **4.1.** | **Standards**:<br>Clause 11 (Standards) and the definition of Standards in Contract Schedule 1 (Definitions) |
| **4.2** | **Service Levels/Service Credits**:<br>In Annex 1 of Part A of Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring)<br><br>**Service Credit Cap** (Contract Schedule 1 (Definitions)):<br><br>Not applied<br><br>**Customer periodic reviews of Service Levels** (Clause 13.7.1 of the Contract Terms):<br>Not applied |
| **4.3** | **Critical Service Level Failure**:<br>Not applied |
| **4.4** | **Performance Monitoring:**<br>In Part B of Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring)<br>AND<br>o The Supplier should have robust contract management processes in place in order to ensure that the contract is managed effectively and any issues, complaints or problems are dealt with speedily and effectively<br>o Potential Providers are required to provide details of how the account will be managed to deliver the required range of services. As a minimum, but not limited to, include details on:<br>o dedicated account manager and their nominated deputy that will act in their absence;<br>o details of the escalation process that will govern this contract, specifically addressing how escalations will be responded to within 48 hours and then the timeline for resolution;<br>o details of the business continuity plan that will govern this contract to ensure continuity of service, including details on the management of staff turnover;<br>o The authority will require regular contract review meetings in addition to the operational meetings required to deliver the service. As a |

minimum account managers will be required, at no additional cost, to attend:

- monthly contract review meetings, to review spend, initiatives, savings and performance against the contract terms;
- quarterly contract review meetings (supersede the above), at which the Authority's commercial contract manager shall also be present.
- The Authority require the following management information as a minimum, these will be reviewed during the quarterly review meetings:

| Report required | Regularity |
|---|---|
| Installations/de-installations: Adherence to delivery plans. We measure actual delivery date against requested delivery date; | Quarterly |
| Quality issues with installations: Monitor the number of quality issues arising against the number of installations; | Monthly |
| Monitor date work completed compared to the date specified in the purchase order; | Monthly |
| Correct handover and completed documents for an installation: To include copy of installation design documentation, commissioning in accordance with spec, completed inspection and testing documentation with a booklet for each vehicle; | Within 48 hour period of completion |
| Training: Monitoring of completion of training; | Within 48 hour period of request |
| Disposals: Correct documentation completed for each equipment disposal (including confirmation that all legal and environmental considerations have been met; Repair Quotes: Monitor receipt within 48 hour period requested in the spec; | Within 48 hour period request |
| Warranty Repairs: Accurate records to be forwarded in respect of all warranty repairs; | Within 48 hour period request |
| Itemised spend. | Provided monthly and included on each invoice presented. |
| Asset Register – to outline equipment removed and retained for future fit outs as well as a full list of disposed equipment | Quarterly |

| | |
|---|---|
| **4.5** | **Period for providing Rectification Plan:**<br>In *Clause 38.2.1(a)* of *the* Contract Terms |

## 5. PERSONNEL

| | |
|---|---|
| **5.1** | **Key Personnel**:<br>**REDACTED** |
| **5.2** | **Relevant Convictions** (Clause 27.2 of the Contract Terms):<br>**N/A** |

## 6. PAYMENT

| | |
|---|---|
| **6.1** | **Contract Charges** :<br>In Annex 1 of Contract Schedule 3 (Contract Charges, Payment and Invoicing)<br>The maximum value for the contract shall be £600,000 for the duration inclusive of any extension periods. |
| **6.2** | **Payment terms/profile** (including method of payment e.g. Government Procurement Card (GPC) or BACS):<br>In Annex 2 of Contract Schedule 3 (Contract Charges, Payment and Invoicing) |
| **6.3** | **Reimbursable Expenses**:<br>Not permitted |
| **6.4** | **Customer billing address** (paragraph 7.6 of Contract Schedule 3 (Contract Charges, Payment and Invoicing)):<br>The billing address will be stated on Purchase Orders. Invoices must be sent to the address stated quoting the purchase order number to enable payment to be made. |
| **6.5** | **Contract Charges firm for** paragraph 8.2 of Schedule 3 (Contract Charges, Payment a**nd Invoicing)):**<br>Two Contract Years from the Contract Commencement Date |
| **6.6** | **Supplier periodic assessment of Contract Charges** (paragraph 9.2 of Contract Schedule 3 (Contract Charges, Payment and Invoicing)) will be carried out on:<br>A monthy basis of each Contract Year during the Contract Period |
| **6.7** | **Supplier request for increase in the Contract Charges** (paragraph 10 of Contract Schedule 3 (Contract Charges, Payment and Invoicing)):<br>Not Permitted during the initial Two year contract<br>Requests for price increases must be made in writing no later than 60 days prior to the anniversary of the contract and in line with rpi capped at no more than 3%. |

## 7. LIABILITY AND INSURANCE

| | |
|---|---|
| **7.1** | **Estimated Year 1 Contract Charges**:<br>The sum of £ 150,000 |
| **7.2** | **Suppliers limitation of Liability** (Clause 36.2.1 of the Contract Terms);<br>In Clause 36.2.1 of the Contract Terms |
| **7.3** | **Insurance** (Clause 37.3 of the Contract Terms): |

## 8. TERMINATION AND EXIT

| | |
|---|---|
| **8.1** | **Termination on material Default** (Clause 41.2.1(c) of the Contract Terms)):<br>In Clause 41.2.1(c) of the Contract Terms |
| **8.2** | **Termination without cause notice period** (Clause 41.7.1 of the Contract Terms):<br>In Clause 41.7.1 of the Contract Terms |
| **8.3** | **Undisputed Sums Limit**:<br>In Clause 42.1.1 of the Contract Terms |
| **8.4** | **Exit Management:**<br>Not applied |

## 9. SUPPLIER INFORMATION

| | |
|---|---|
| **9.1** | **Suppliers inspection of Sites, Customer Property and Customer Assets:**<br>Not Required |
| **9.2** | **Commercially Sensitive Information**:<br>**Customer:**<br>As per Clause 34.5.2 (Freedom of Information) and the definition of Commercially Sensitive Information in Contract Schedule 1 (Definitions).<br>**Supplier:** |

## 10. OTHER CONTRACT REQUIREMENTS

| | |
|---|---|
| **10.1** | **Recitals** (in preamble to the Contract Terms):<br>Recitals B to E |

| | |
|---|---|
| | Recital C - date of issue of the Statement of Requirements: 15th November 2017<br>Recital D - date of receipt of Contract Tender:<br>21st December 2017 |
| **10.2** | **Contract Guarantee (Clause** Error! Reference source not found. **of the Contract Terms):**<br>Not require**d** |
| **10.3** | **Security**:<br>*See Contract Schedule 7 (Security); and the definition of "Security Policy" in Contract Schedule 1 (Definitions)*<br><br>AND<br><br>Schedule 7 Annex 1 – DWP Security policy |
| **10.4** | **ICT Policy:**<br>Not applied |
| **10.5** | **Testing**:<br>In Contract Schedule 5 (Testing) |
| **10.6** | **Business Continuity & Disaster Recovery**:<br>In Contract Schedule 8 (Business Continuity and Disaster Recovery)<br>And<br><br>**REDACTED** |
| **10.7** | **Failure of Supplier Equipment (Clause 32.8 of the Contract Terms:**<br>For the purpose of that Clause the value for X shall be *0* and the value for Y shall be 1*2* |
| **10.8** | **Protection of Customer Data** (Clause 34.2.3 of the Contract Terms): |
| **10.9** | **Notices** (Clause 55.6 of the Contract Terms):<br>Customer's postal address and email address:<br>**REDACTED**<br><br>Suppliers postal address and email address: |

| | |
|---|---|
| | **Sonic Communications (Int) Ltd**<br>**REDACTED** |
| **10.10** | **Transparency Reports** In Contract Schedule 13 (Transparency Reports) |
| **10.11** | **Alternative and/or additional provisions (including any Alternative and/or Additional Clauses under**<br>*N/A* |
| **10.12** | **Contract Tender**:<br>In Schedule 15 (Contract Tender)<br>Documents Annex 15A-F as per tender submission. |

**FORMATION OF CONTRACT**

**BY SIGNING AND RETURNING THIS CONTRACT ORDER FORM (which may be done by electronic means) the Supplier agrees to enter a Contract with the Customer to provide the Goods and/or Services in accordance with the terms of the Contract Order Form and the Contract Terms.**

**The Parties hereby acknowledge and agree that they have read the Contract Order Form and the Contract Terms and by signing below agree to be bound by this Contract.**

**In accordance with paragraph 7 of DPS Schedule 5 (Call for Competition Procedure), the Parties hereby acknowledge and agree that this Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of the Contract Order Form from the Supplier within two (2) Working Days from such receipt.**

**For and on behalf of the Supplier:**

| | |
|---|---|
| Name and Title | **REDACTED** |
| Signature | |
| Date | |

**For and on behalf of the Customer:**

| | |
|---|---|
| Name and Title | **REDACTED** |
| Signature | |
| Date | |

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## PART 2 – CONTRACT TERMS

## TERMS AND CONDITIONS

## RECITALS

A. NOT USED

B. Where recitals B to E have been selected in the Contract Order Form, the Customer has followed the call for competition procedure set out in paragraph 2.1 of DPS Schedule 5 (Call for Competition Procedure) and has awarded this Contract to the Supplier by way of competition.

C. The Customer issued its Statement of Requirements for the provision of the Goods and/or Services on the date specified at paragraph 10.1 of the Contract Order Form.

D. In response to the Statement of Requirements the Supplier submitted a Contract Tender to the Customer on the date specified at paragraph 10.1 of the Contract Order form through which it provided to the Customer its solution for providing the Goods and/or Services.

E. On the basis of the Contract Tender, the Customer selected the Supplier to provide the Goods and/or Services to the Customer in accordance with the terms of this Contract.

## A. PRELIMINARIES

### 1. DEFINITIONS AND INTERPRETATION

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

1.2 If a capitalised expression does not have an interpretation in Contract Schedule 1 (Definitions) or relevant Contract Schedule, it shall have the meaning given to it in the DPS Agreement. If no meaning is given to it in the DPS Agreement, it shall, in the first instance, be interpreted in accordance with the common interpretation within the relevant market sector/industry where appropriate. Otherwise, it shall be interpreted in accordance with the dictionary meaning.

1.3 In this Contract , unless the context otherwise requires:

1.3.1 the singular includes the plural and vice versa;

1.3.2 reference to a gender includes the other gender and the neuter;

1.3.3 references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;

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

1.3.5 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**";

1.3.6 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;

1.3.7 references to "**representations**" shall be construed as references to present facts, to "**warranties**" as references to present and future facts and to "**undertakings"** as references to obligations under this Contract ;

1.3.8 references to "**Clauses**" and "**Contract Schedules**" are, unless otherwise provided, references to the clauses and schedules of this Contract and references in any Contract Schedule to parts, paragraphs, annexes and tables are, unless otherwise provided, references to the parts, paragraphs, annexes and tables of the Contract Schedule in which these references appear; and

1.3.9 the headings in this Contract are for ease of reference only and shall not affect the interpretation or construction of this Contract .

1.4 Subject to Clauses 1.5 and 1.6 (Definitions and Interpretation), in the event of and only to the extent of any conflict between the Contract Order Form, the Contract Terms and the provisions of the DPS Agreement , the conflict shall be resolved in accordance with the following order of precedence:

1.4.1 the Contract Order Form;

1.4.2 the Call Contract Terms, except Contract Schedule 15 (Contract Tender);

1.4.3 Contract Schedule 15 (Contract Tender); and

1.5 Any permitted changes by the Customer to the Template Contract Terms and the Template Contract Order Form under Clause 5 (Call for Competition Procedure) of the DPS Agreement and DPS Schedule 5 (Call for Competition Procedure) prior to them becoming the Contract Terms and the Contract Order Form which comprise this Contract shall prevail over the DPS Agreement .

1.6 Where Contract Schedule 15 (Contract Tender) contain provisions which are more favourable to the Customer in relation to (the rest of) this Contract, such provisions of the Contract Tender shall prevail. The Customer shall in its absolute and sole discretion determine whether any provision in the Contract Tender is more favourable to it in this context.

## 2. DUE DILIGENCE

2.1 The Supplier acknowledges that:

2.1.1 the Customer 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 Contract ;

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

2.1.3 it has raised all relevant due diligence questions with the Customer before the Contract Commencement Date;

2.1.4 it has undertaken all necessary due diligence and has entered into this Contract in reliance on its own due diligence alone; and

2.1.5 it shall not be excused from the performance of any of its obligations under this Contract on the grounds of, nor shall the Supplier be entitled to recover any additional costs or charges, arising as a result of any:

(a) misinterpretation of the requirements of the Customer in the Contract Order Form or elsewhere in this Contract ;

(b) failure by the Supplier to satisfy itself as to the accuracy and/or adequacy of the Due Diligence Information; and/or

(c) failure by the Supplier to undertake its own due diligence.

## 3. REPRESENTATIONS AND WARRANTIES

3.1 Each Party represents and warranties that:

3.1.1 it has full capacity and authority to enter into and to perform this Contract ;

3.1.2 this Contract is executed by its duly authorised representative;

3.1.3 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 (or, in the case of the Supplier, any of its Affiliates) that might affect its ability to perform its obligations under this Contract ; and

3.1.4 its obligations under this Contract constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable (as the case may be for each Party) 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:

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

3.2.2 it has all necessary consents (including, where its procedures so require, the consent of its Parent Company) and regulatory approvals to enter into this Contract ;

3.2.3 its execution, delivery and performance of its obligations under this Contract does not and will not constitute a breach of any Law or obligation applicable to it and does not and will not cause or result in a Default under any agreement by which it is bound;

3.2.4 as at the Contract Commencement Date, all written statements and representations in any written submissions made by the Supplier as part of the procurement process, its Tender, Contract 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 Contract ;

3.2.5 if the Contract Charges payable under this Contract exceed or are likely to exceed five (5) million pounds, as at the Contract Commencement Date it has notified the Customer in writing of any

Occasions of Tax Non-Compliance or any litigation that it is involved in connection with any Occasions of Tax Non Compliance;

3.2.6 it has and shall continue to have all necessary rights in and to the Third Party IPR, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-Contractor) to the Customer which are necessary for the performance of the Suppliers obligations under this Contract including the receipt of the Goods and/or Services by the Customer;

3.2.7 it shall take all steps, in accordance with Good Industry Practice, to prevent the introduction, creation or propagation of any disruptive elements (including any virus, worms and/or Trojans, spyware or other malware) into systems, data, software or the Customer's Confidential Information (held in electronic form) owned by or under the control of, or used by, the Customer;

3.2.8 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 Contract ;

3.2.9 it is not affected by an Insolvency Event and 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 Suppliers assets or revenue; and

3.2.10 for the Contract Period and for a period of twelve (12) Months after the termination or expiry of this Contract , the Supplier shall not employ or offer employment to any staff of the Customer which have been associated with the provision of the Goods and/or Services without Approval or the prior written consent of the Customer which shall not be unreasonably withheld.

3.3 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 undertaking in this Contract .

3.4 If at any time a Party becomes aware that a representation or warranty given by it under Clauses 3.1 and 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.

3.5 For the avoidance of doubt, the fact that any provision within this Contract is expressed as a warranty shall not preclude any right of termination the Customer may have in respect of breach of that provision by the Supplier which constitutes a material Default.

## 4. CONTRACT GUARANTEE

4.1 Where the Customer has stipulated in the Contract Order Form that this Contract shall be conditional upon receipt of a Contract Guarantee, then, on or prior to the Contract Commencement Date or on any other date specified by the Customer, the Supplier shall deliver to the Customer:

4.1.1 an executed Contract Guarantee from a Contract Guarantor; and

4.1.2 a certified copy extract of the board minutes and/or resolution of the Contract Guarantor approving the execution of the Contract Guarantee.

4.2 The Customer may in its sole discretion at any time agree to waive compliance with the requirement in Clause 4.1 by giving the Supplier notice in writing.

## B. DURATION OF CONTRACT

### 5. CONTRACT PERIOD

5.1 This Contract shall take effect on the Contract Commencement Date and the term of this Contract shall be the Contract Period.

5.2 Where the Customer has specified a Contract Extension Period in the Contract Order Form, the Customer may extend this Contract for the Contract Extension Period by providing written notice to the Supplier before the end of the Initial Contract Period. The minimum period for the written notice shall be as specified in the Contract Order Form.

## C. CONTRACT PERFORMANCE

### 6. IMPLEMENTATION PLAN

6.1 Formation of Implementation Plan

6.1.1 Where an Implementation Plan has not been agreed and included in Contract Schedule 4 (Implementation Plan) on the Contract Commencement Date, but the Customer has specified in the Contract Order Form that the Supplier shall provide a draft Implementation Plan prior to the commencement of the provision of the Goods and/or Services, the Suppliers draft must contain information at the level of detail necessary to manage the implementation stage effectively and as the Customer may require. The draft Implementation Plan shall take account of all dependencies known to, or which should reasonably be known to, the Supplier.

6.1.2 The Supplier shall submit the draft Implementation Plan to the Customer for Approval (such decision of the Customer to Approve or not shall not be unreasonably delayed or withheld) within such period as specified by the Customer in the Contract Order Form.

6.1.3 The Supplier shall perform each of the Deliverables identified in the Implementation Plan by the applicable date assigned to that Deliverable in the Implementation Plan so as to ensure that each Milestone identified in the Implementation Plan is Achieved on or before its Milestone Date.

6.1.4 The Supplier shall monitor its performance against the Implementation Plan and Milestones (if any) and any other requirements of the Customer as set out in this Contract and report to the Customer on such performance.

**6.2 Control of Implementation Plan**

6.2.1 Subject to Clause 6.2.2, the Supplier shall keep the Implementation Plan under review in accordance with the Customer's instructions and ensure that it is maintained and updated on a regular basis as may be necessary to reflect the then current state of the provision of the Goods

and/or Services. The Customer shall have the right to require the Supplier to include any reasonable changes or provisions in each version of the Implementation Plan.

6.2.2 Changes to the Milestones (if any), Milestone Payments (if any) and Delay Payments (if any) shall only be made in accordance with the Variation Procedure and provided that the Supplier shall not attempt to postpone any of the Milestones using the Variation Procedure or otherwise (except in the event of a Customer Cause which affects the Suppliers ability to achieve a Milestone by the relevant Milestone Date).

6.2.3 Where so specified by the Customer in the Implementation Plan or elsewhere in this Contract , time in relation to compliance with a date, Milestone Date or period shall be of the essence and failure of the Supplier to comply with such date, Milestone Date or period shall be a material Default unless the Parties expressly agree otherwise.

**6.3 Rectification of Delay in Implementation**

6.3.1 If the Supplier becomes aware that there is, or there is reasonably likely to be, a Delay under this Contract :

(a) it shall:

(i) notify the Customer as soon as practically possible and no later than within two (2) Working Days from becoming aware of the Delay or anticipated Delay;

(ii) include in its notification an explanation of the actual or anticipated impact of the Delay;

(iii) comply with the Customer's instructions in order to address the impact of the Delay or anticipated Delay; and

(iv) 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 Milestone in respect which a Delay Payment has been specified in the Implementation Plan, Clause 6.4 (Delay Payments) shall apply.

**6.4 Delay Payments**

6.4.1 If Delay Payments have been included in the Implementation Plan and a Milestone has not been achieved by the relevant Milestone Date, the Supplier shall pay to the Customer such Delay Payments (calculated as set out by the Customer in the Implementation Plan) and the following provisions shall apply:

(a) the Supplier acknowledges and agrees that any Delay Payment is a price adjustment and not an estimate of the Loss that may be suffered by the Customer as a result of the Suppliers failure to Achieve the corresponding Milestone;

(b) Delay Payments shall be the Customer's exclusive financial remedy for the Suppliers failure to Achieve a corresponding Milestone by its Milestone Date except where:

(i) the Customer is otherwise entitled to or does terminate this Contract pursuant to Clause 41 (Customer

Termination Rights) except Clause 41.7 (Termination Without Cause); or

(ii) the delay exceeds the number of days (the "**Delay Period Limit**") specified in Contract Schedule 4 (Implementation Plan) for the purposes of this sub-Clause, commencing on the relevant Milestone Date;

(c) the Delay Payments will accrue on a daily basis from the relevant Milestone Date and shall continue to accrue until the date when the Milestone is Achieved (unless otherwise specified by the Customer in the Implementation Plan);

(d) no payment or concession to the Supplier by the Customer or other act or omission of the Customer shall in any way affect the rights of the Customer to recover the Delay Payments or be deemed to be a waiver of the right of the Customer to recover any such damages unless such waiver complies with Clause 48 (Waiver and Cumulative Remedies) and refers specifically to a waiver of the Customer's rights to claim Delay Payments; and

(e) the Supplier waives absolutely any entitlement to challenge the enforceability in whole or in part of this Clause 6.4.1 and Delay Payments shall not be subject to or count towards any limitation on liability set out in Clause 36 (Liability).

## 7. GOODS AND/ OR SERVICES

### 7.1 Provision of the Goods and/or Services

7.1.1 The Supplier acknowledges and agrees that the Customer relies on the skill and judgment of the Supplier in the provision of the Goods and/or Services and the performance of its obligations under this Contract .

7.1.2 The Supplier shall ensure that the Goods and/or Services:

(a) comply in all respects with the description of the Goods and/or Services in Contract Schedule 2 (Goods and/or Services) or elsewhere in this Contract ; and

(b) are supplied in accordance with the provisions of this Contract Tender.

7.1.3 The Supplier shall perform its obligations under this Contract in accordance with:

(a) all applicable Law;

(b) Good Industry Practice;

(c) the Standards;

(d) the Security Policy;

(e) the ICT Policy (if so required by the Customer); and

(f) the Suppliers own established procedures and practices to the extent the same do not conflict with the requirements of Clauses 7.1.3(a) to 7.1.3(e).

7.1.4 The Supplier shall:

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

(b) subject to Clause 22.1 (Variation Procedure), obtain, and maintain throughout the duration of this Contract , all the consents, approvals, licences and permissions (statutory, regulatory contractual or otherwise) it may require and which are necessary for the provision of the Goods and/or Services;

(c) ensure that any goods and/or services recommended or otherwise specified by the Supplier for use by the Customer in conjunction with the Deliverables and/or the Goods and/or Services shall enable the Deliverables and/or the Goods and/or the Services to meet the requirements of the Customer;

(d) ensure that the Supplier Assets will be free of all encumbrances (except as agreed in writing with the Customer);

(e) ensure that the Goods and/or Services are fully compatible with any Customer Property or Customer Assets described in Contract Schedule 4 (Implementation Plan) (or elsewhere in this Contract ) or otherwise used by the Supplier in connection with this Contract ;

(f) minimise any disruption to the Sites and/or the Customer's operations when providing the Goods and/or Services;

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

(h) co-operate with the Other Suppliers and provide reasonable information (including any Documentation), advice and assistance in connection with the Goods and/or Services to any Other Supplier and, on the Contract Expiry Date for any reason, to enable the timely transition of the supply of the Goods and/or Services (or any of them) to the Customer and/or to any Replacement Supplier;

(i) assign to the Customer, or if it is unable to do so, shall (to the extent it is legally able to do so) hold on trust for the sole benefit of the Customer, all warranties and indemnities provided by third parties or any Sub-Contractor in respect of any Deliverables and/or the Goods and/or Services. Where any such warranties are held on trust, the Supplier shall enforce such warranties in accordance with any reasonable directions that the Customer may notify from time to time to the Supplier;

(j) provide the Customer with such assistance as the Customer may reasonably require during the Contract Period in respect of the supply of the Goods and/or Services;

(k) deliver the Goods and/or Services in a proportionate and efficient manner;

(l) ensure that neither it, nor any of its Affiliates, embarrasses the Customer or otherwise brings the Customer into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Customer,

regardless of whether or not such act or omission is related to the Suppliers obligations under this Contract ; and

(m) gather, collate and provide such information and co-operation as the Customer may reasonably request for the purposes of ascertaining the Suppliers compliance with its obligations under this Contract .

7.1.5 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.

## 8. SERVICES

### 8.1 General application

8.1.1 This Clause 8 shall apply if any Services have been included in Annex 1 of Contract Schedule 2 (Goods and/or Services).

### 8.2 Time of Delivery of the Services

8.2.1 The Supplier shall provide the Services on the date(s) specified in the Contract Order Form (or elsewhere in this Contract ) and the Milestone Dates (if any).

### 8.3 Location and Manner of Delivery of the Services

8.3.1 Except where otherwise provided in this Contract , the Supplier shall provide the Services to the Customer through the Supplier Personnel at the Sites.

8.3.2 The Customer may inspect and examine the manner in which the Supplier provides the Services at the Sites and, if the Sites are not the Customer Premises, the Customer may carry out such inspection and examination during normal business hours and on reasonable notice.

### 8.4 Undelivered Services

8.4.1 In the event that any of the Services are not Delivered in accordance with Clauses 7.1 (Provision of the Goods and/or Services), 8.2 (Time of Delivery of the Services) and 8.3 (Location and Manner of Delivery of the Services) ("**Undelivered Services**"), the Customer, without prejudice to any other rights and remedies of the Customer howsoever arising, shall be entitled to withhold payment of the applicable Contract Charges for the Services that were not so Delivered until such time as the Undelivered Services are Delivered.

8.4.2 The Customer may, at its discretion and without prejudice to any other rights and remedies of the Customer howsoever arising, deem the failure to comply with Clauses 7.1, (Provision of the Goods and/or Services), 8.2 (Time of Delivery of the Services) and 8.3 (Location and Manner of Delivery of the Services) and meet the relevant Milestone Date (if any) to be a material Default.

### 8.5 Obligation to Remedy of Default in the Supply of the Services

8.5.1 Subject to Clauses 33.9.2 and 33.9.3 (IPR Indemnity) and without prejudice to any other rights and remedies of the Customer howsoever arising (including under Clauses 8.4.2 (Undelivered Services) and 38

(Customer Remedies for Default)), the Supplier shall, where practicable:

(a) remedy any breach of its obligations in Clauses 7 and 8 within three (3) Working Days of becoming aware of the relevant Default or being notified of the Default by the Customer or within such other time period as may be agreed with the Customer (taking into account the nature of the breach that has occurred); and

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

**8.6 Continuing Obligation to Provide the Services**

8.6.1 The Supplier shall continue to perform all of its obligations under this Contract and shall not suspend the provision of the Services, notwithstanding:

(a) any withholding or deduction by the Customer of any sum due to the Supplier pursuant to the exercise of a right of the Customer to such withholding or deduction under this Contract *;*

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

(c) any failure by the Customer to pay any Contract Charges,

unless the Supplier is entitled to terminate this Contract under Clause 42.1 (Termination on Customer Cause for Failure to Pay) for failure by the Customer to pay undisputed Contract Charges.

## 9. GOODS

**9.1 General application**

9.1.1 This Clause 9 shall apply if any Goods have been included in Annex 2 of Contract Schedule 2 (Goods and/or Services).

**9.2 Time of Delivery of the Goods**

9.2.1 The Supplier shall provide the Goods on the date(s) specified in the Contract Order Form (or elsewhere in this Contract ) and the Milestone Dates (if any).

9.2.2 Subject to Clause 9.2.3 (Time of Delivery of the Goods), where the Goods are delivered by the Supplier, the point of delivery shall be when the Goods are removed from the transporting vehicle and transferred at the Sites. Where the Goods are collected by the Customer, the point of delivery shall be when the Goods are loaded on the Customer's vehicle.

9.2.3 Where the Customer has specified any Installation Works in the Contract Order Form, Delivery shall include installation of the Goods by the Supplier Personnel at the Sites (or at such place as the Customer may reasonably direct) in accordance with Clause 10 (Installation Works) and the Contract Order Form.

9.3 Location and Manner of Delivery of the Goods

9.3.1 Except where otherwise provided in this Contract , the Supplier shall deliver the Goods to the Customer through the Supplier Personnel at the Sites.

9.3.2 If requested by the Customer prior to Delivery, the Supplier shall provide the Customer with a sample or samples of Goods for evaluation and Approval, at the Suppliers cost and expense.

9.3.3 The Goods shall be marked, stored, handled and delivered in a proper manner and in accordance the Customer's instructions as set out in the Contract Order Form (or elsewhere in this Contract ), Good Industry Practice, any applicable Standards and any Law. In particular, the Goods shall be marked with the Order number and the net, gross and tare weights, the name of the contents shall be clearly marked on each container and all containers of hazardous Goods (and all documents relating thereto) shall bear prominent and adequate warnings.

9.3.4 On dispatch of any consignment of the Goods the Supplier shall send the Customer an advice note specifying the means of transport, the place and date of dispatch, the number of packages, their weight and volume together with the all other relevant documentation and information required to be provided under any Laws.

9.3.5 The Customer may inspect and examine the manner in which the Supplier supplies the Goods at the Sites and, if the Sites are not the Customer Premises, the Customer may carry out such inspection and examination during normal business hours and on reasonable notice.

9.4 Undelivered Goods

9.4.1 In the event that not all of the Goods are Delivered in accordance with Clauses 7.1 (Provision of the Goods and/or Services), **Error! Reference source not found.** (Time of Delivery of the Goods) and 9.3 (Location and Manner of Delivery of the Goods) ("**Undelivered Goods**"), the Customer, without prejudice to any other rights and remedies of the Customer howsoever arising, shall be entitled to withhold payment of the applicable Contract Charges for the Goods that were not so Delivered until such time as the Undelivered Goods are Delivered.

9.4.2 The Customer, at its discretion and without prejudice to any other rights and remedies of the Customer howsoever arising deem the failure to comply with Clauses 7.1 (Provision of the Goods and/or Services), **Error! Reference source not found.** (Time of Delivery of the Goods) and 9.3 (Location and Manner of Delivery of the Goods) and meet the relevant Milestone Date (if any) to be a material Default.

9.5 Over-Delivered Goods

9.5.1 The Customer shall be under no obligation to accept or pay for any Goods delivered in excess of the quantity specified in the Contract Order Form (or elsewhere in this Contract ) ("**Over-Delivered Goods**").

9.5.2 If the Customer elects not to accept such Over-Delivered Goods it may, without prejudice to any other rights and remedies of the Customer howsoever arising, give notice in writing to the Supplier to remove them within five (5) Working Days and to refund to the Customer any expenses incurred by the Customer as a result of such Over-Delivered Goods (including but not limited to the costs of moving and storing the Over-Delivered Goods).

9.5.3 If the Supplier fails to comply with the Customer's notice under Clause 9.5.2, the Customer may dispose of such Over-Delivered Goods and charge the Supplier for the costs of such disposal. The risk in any Over-Delivered Goods shall remain with the Supplier.

9.6 Delivery of the Goods by Instalments

9.6.1 Unless expressly agreed to the contrary, the Customer shall not be obliged to accept delivery of the Goods by instalments. If, however, the Customer does specify or agree to delivery by instalments, delivery of any instalment later than the date specified or agreed for its Delivery shall, without prejudice to any other rights or remedies of the Customer howsoever arising, entitle the Customer to terminate the whole or any unfulfilled part of this Contract for material Default without further liability to the Customer.

9.7 Risk and Ownership in Relation to the Goods

9.7.1 Without prejudice to any other rights or remedies of the Customer howsoever arising:

(a) risk in the Goods shall pass to the Customer at the time of Delivery; and

(b) ownership of to the Goods shall pass to the Customer on the earlier of Delivery of the Goods or payment by the Customer of the Contract Charges;

9.8 Responsibility for Damage to or Loss of the Goods

9.8.1 Without prejudice to the Suppliers other obligations to provide the Goods in accordance with this Contract , the Supplier accepts responsibility for all damage to or loss of the Goods if the:

(a) same is notified in writing to the Supplier within three (3) Working Days of receipt and inspection of the Goods by the Customer; and

(b) Goods have been handled by the Customer in accordance with the Suppliers instructions.

9.8.2 Where the Supplier accepts responsibility under Clause 9.8.1, it shall, at its sole option, replace or repair the Goods (or part thereof) within such time as is reasonable having regard to the circumstances and as agreed with the Customer.

9.9 Warranty of the Goods

9.9.1 The Supplier hereby guarantees the Goods for the Warranty Period against faulty materials and workmanship.

9.9.2 If the Customer shall within such Warranty Period or within twenty five (25) Working Days thereafter give notice in writing to the Supplier of any defect in any of the Goods as may have arisen during such Warranty Period under proper and normal use, the Supplier shall (without prejudice to any other rights and remedies of the Customer howsoever arising) promptly remedy such faults or defects (whether by repair or replacement as the Customer shall elect) free of charge.

9.10 Obligation to Remedy Default in the Supply of the Goods

9.10.1 Subject to Clauses 33.9.2 and 33.9.3 (IPR Indemnity) and without prejudice to any other rights and remedies of the Customer howsoever arising (including under Clauses 9.4.2 (Undelivered Goods) and 38 (Customer Remedies for Default)), the Supplier shall, where practicable:

(a) remedy any breach of its obligations in this Clause 9 within three (3) Working Days of becoming aware of the relevant Default or being notified of the Default by the Customer or within such other time period as may be agreed with the Customer (taking into account the nature of the breach that has occurred); and

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

9.11 Continuing Obligation to Provide the Goods

9.11.1 The Supplier shall continue to perform all of its obligations under this Contract and shall not suspend the provision of the Goods, notwithstanding:

(a) any withholding or deduction by the Customer of any sum due to the Supplier pursuant to the exercise of a right of the Customer to such withholding or deduction under this Contract *;*

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

(c) any failure by the Customer to pay any Contract Charges,

unless the Supplier is entitled to terminate this Contract under Clause 42.1 (Termination on Customer Cause for Failure to Pay) for failure to pay undisputed Contract Charges.

## 10. INSTALLATION WORKS

10.1 This Clause 10 shall apply if any Goods have been included in Annex 2 of Contract Schedule 2 (Goods and/or Services) and the Customer has specified Installation Works in the Contract Order Form.

10.2 Where the Supplier reasonably believes it has completed the Installation Works it shall notify the Customer in writing. Following receipt of such notice, the Customer shall inspect the Installation Works and shall, by giving written notice to the Supplier:

10.2.1 accept the Installation Works, or

10.2.2 reject the Installation Works and provide reasons to the Supplier if, in the Customer's reasonable opinion, the Installation Works do not meet the requirements set out in the Contract Order Form (or elsewhere in this Contract ).

10.3 If the Customer rejects the Installation Works in accordance with Clause 10.2, the Supplier shall immediately rectify or remedy any defects and if, in the Customer's reasonable opinion, the Installation Works do not, within five (5) Working Days of such rectification or remedy, meet the requirements set out in the Contract Order Form (or elsewhere in this Contract ), the Customer may terminate this Contract for material Default.

10.4 The Installation Works shall be deemed to be completed when the Supplier receives a notice issued by the Customer in accordance with Clause 10.2.

Notwithstanding the acceptance of any Installation Works in accordance with Clause 10.2 (Installation Works), the Supplier shall remain solely responsible for ensuring that the Goods and the Installation Works conform to the specification in the Contract Order Form (or elsewhere in this Contract ). No rights of estoppel or waiver shall arise as a result of the acceptance by the Customer of the Installation Works.

10.5 Throughout the Contract Period, the Supplier shall have at all times all licences, approvals and consents necessary to enable the Supplier and the Supplier Personnel to carry out the Installation Works.

## 11. STANDARDS AND QUALITY

11.1 The Supplier shall at all times during the Contract Period comply with the Standards and maintain, where applicable, accreditation with the relevant Standards' authorisation body.

11.2 Throughout the Contract Period, the Parties shall notify each other of any new or emergent standards which could affect the Suppliers provision, or the receipt by the Customer, of the Goods and/or Services. The adoption of any such new or emergent standard, or changes to existing Standards (including any specified in the Contract Order Form), shall be agreed in accordance with the Variation Procedure.

11.3 Where a new or emergent standard is to be developed or introduced by the Customer, the Supplier shall be responsible for ensuring that the potential impact on the Suppliers provision, or the Customer's receipt of the Goods and/or Services is explained to the Customer (within a reasonable timeframe), prior to the implementation of the new or emergent Standard.

11.4 Where Standards referenced conflict with each other or with best professional or industry practice adopted after the Contract Commencement Date, then the later Standard or best practice shall be adopted by the Supplier. Any such alteration to any Standard or Standards shall require Approval (and the written consent of the Customer where the relevant Standard or Standards is/are included in DPS Schedule 2 (Goods and/or Services and Key Performance Indicators) and shall be implemented within an agreed timescale.

11.5 Where a standard, policy or document is referred to 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 Customer and the Parties shall agree the impact of such change.

## 12. TESTING

12.1 This Clause 12 shall apply if so specified by the Customer in the Contract Order Form.

12.2 The Parties shall comply with any provisions set out in Contract Schedule 5 (Testing).

## 13. SERVICE LEVELS AND SERVICE CREDITS

13.1 This Clause 13 shall apply where the Customer has specified Service Levels and Service Credits in the Contract Order Form. Where the Customer has specified Service Levels but not Service Credits, only sub-clauses 13.2, 13.3 and 13.7 shall apply.

13.2 When this Clause 13.2 applies, the Parties shall also comply with the provisions of Part A (Service Levels and Service Credits) of Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring).

13.3 The Supplier shall at all times during the Contract Period provide the Goods and/or Services to meet or exceed the Service Level Performance Measure for each Service Level Performance Criterion.

13.4 The Supplier acknowledges that any Service Level Failure may have a material adverse impact on the business and operations of the Customer and that it shall entitle the Customer to the rights set out in Part A of Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring) including the right to any Service Credits.

13.5 The Supplier acknowledges and agrees that any Service Credit is a price adjustment and not an estimate of the Loss that may be suffered by the Customer as a result of the Suppliers failure to meet any Service Level Performance Measure.

13.6 A Service Credit shall be the Customer's exclusive financial remedy for a Service Level Failure except where:

13.6.1 the Supplier has over the previous twelve (12) Month period accrued Service Credits in excess of the Service Credit Cap;

13.6.2 the Service Level Failure:

(a) exceeds the relevant Service Level Threshold;

(b) has arisen due to a Prohibited Act or wilful Default by the Supplier or any Supplier Personnel; and

(c) results in:

(i) the corruption or loss of any Customer Data (in which case the remedies under Clause 34.2.8 (Protection of Customer Data) shall also be available); and/or

(ii) the Customer being required to make a compensation payment to one or more third parties; and/or

13.6.3 the Customer is otherwise entitled to or does terminate this Contract pursuant to Clause 41 (Customer Termination Rights) except Clause 41.7 (Termination Without Cause).

13.7 Not more than once in each Contract Year, the Customer may, on giving the Supplier at least three (3) Months notice, change the weighting of Service Level Performance Measure in respect of one or more Service Level Performance Criteria and the Supplier shall not be entitled to object to, or increase the Contract Charges as a result of such changes, provided that:

13.7.1 the total number of Service Level Performance Criteria for which the weighting is to be changed does not exceed the number set out, for the purposes of this clause, in the Contract Order Form;

13.7.2 the principal purpose of the change is to reflect changes in the Customer's business requirements and/or priorities or to reflect changing industry standards; and

13.7.3 there is no change to the Service Credit Cap.

## 14. CRITICAL SERVICE LEVEL FAILURE

14.1 This Clause 14 shall apply if the Customer has specified both Service Credits and Critical Service Level Failure in the Contract Order Form.

14.2 On the occurrence of a Critical Service Level Failure:

14.2.1 any Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue; and

14.2.2 the Customer shall (subject to the Service Credit Cap set out in Clause 36.2.1(a) (Financial Limits)) be entitled to withhold and retain as compensation for the Critical Service Level Failure a sum equal to any Contract Charges which would otherwise have been due to the Supplier in respect of that Service Period ("**Compensation for Critical Service Level Failure**"),

provided that the operation of this Clause 14.2 shall be without prejudice to the right of the Customer to terminate this Contract and/or to claim damages from the Supplier for material Default as a result of such Critical Service Level Failure.

14.3 The Supplier:

14.3.1 agrees that the application of Clause 14.2 is commercially justifiable where a Critical Service Level Failure occurs; and

14.3.2 acknowledges that it has taken legal advice on the application of Clause 14.2 and has had the opportunity to price for that risk when calculating the Contract Charges.

## 15. BUSINESS CONTINUITY AND DISASTER RECOVERY

15.1 This Clause 15 shall apply if the Customer has so specified in the Contract Order Form.

15.2 The Parties shall comply with the provisions of Contract Schedule 8 (Business Continuity and Disaster Recovery).

## 16. DISRUPTION

16.1 The Supplier shall take reasonable care to ensure that in the performance of its obligations under this Contract it does not disrupt the operations of the Customer, its employees or any other contractor employed by the Customer.

16.2 The Supplier shall immediately inform the Customer of any actual or potential industrial action, whether such action be by the Supplier Personnel or others, which affects or might affect the Suppliers ability at any time to perform its obligations under this Contract .

16.3 In the event of industrial action by the Supplier Personnel, the Supplier shall seek Approval to its proposals for the continuance of the supply of the Goods and/or Services in accordance with its obligations under this Contract .

16.4 If the Suppliers proposals referred to in Clause 16.3 are considered insufficient or unacceptable by the Customer acting reasonably then the Customer may terminate this Contract for material Default.

16.5 If the Supplier is temporarily unable to fulfil the requirements of this Contract owing to disruption of normal business solely due to a Customer Cause, then subject to Clause 17 (Supplier Notification of Customer Cause), an appropriate allowance by way of an extension of time will be Approved by the Customer. In addition, the Customer will reimburse any additional expense reasonably incurred by the Supplier as a direct result of such disruption.

## 17. SUPPLIER NOTIFICATION OF CUSTOMER CAUSE

17.1 Without prejudice to any other obligations of the Supplier in this Contract to notify the Customer in respect of a specific Customer Cause (including the notice requirements under Clause 42.1.1 (Termination on Customer Cause for Failure to Pay)), the Supplier shall:

17.1.1 notify the Customer as soon as reasonably practicable ((and in any event within two (2) Working Days of the Supplier becoming aware)) that a Customer Cause has occurred or is reasonably likely to occur, giving details of:

(a) the Customer Cause and its effect, or likely effect, on the Suppliers ability to meet its obligations under this Contract ; and

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

(c) use all reasonable endeavours to eliminate or mitigate the consequences and impact of a Customer Cause, including any Losses that the Supplier may incur and the duration and consequences of any Delay or anticipated Delay.

## 18. CONTINUOUS IMPROVEMENT

18.1 The Supplier shall have an ongoing obligation throughout the Contract Period to identify new or potential improvements to the provision of the Goods and/or Services in accordance with this Clause 18 with a view to reducing the Customer's costs (including the Contract Charges) and/or improving the quality and efficiency of the Goods and/or Services and their supply to the Customer. As part of this obligation the Supplier shall identify and report to the Customer once every twelve (12) Months:

18.1.1 the emergence of new and evolving relevant technologies which could improve the Sites and/or the provision of the Goods and/or Services, and those technological advances potentially available to the Supplier and the Customer which the Parties may wish to adopt;

18.1.2 new or potential improvements to the provision of the Goods and/or Services including the quality, responsiveness, procedures, benchmarking methods, likely performance mechanisms and customer support goods and/or services in relation to the Goods and/or Services;

18.1.3 changes in business processes and ways of working that would enable the Goods and/or Services to be provided at lower costs and/or at greater benefits to the Customer; and/or

18.1.4 changes to the Sites business processes and ways of working that would enable reductions in the total energy consumed annually in the provision of the Goods and/or Services.

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

18.3 If the Customer wishes to incorporate any improvement identified by the Supplier, the Customer shall request a Variation in accordance with the Variation

Procedure and the Supplier shall implement such Variation at no additional cost to the Customer.

## D. CONTRACT GOVERNANCE

### 19. PERFORMANCE MONITORING

19.1 The Supplier shall comply with the monitoring requirements set out in Part B (Performance Monitoring) of Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring).

### 20. REPRESENTATIVES

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

20.2 The initial Supplier Representative shall be the person named as such in the Contract Order Form. Any change to the Supplier Representative shall be agreed in accordance with Clause 27 (Supplier Personnel).

20.3 If the initial Customer Representative is not specified in the Contract Order Form, the Customer shall notify the Supplier of the identity of the initial Customer Representative within five (5) Working Days of the Contract Commencement Date. The Customer may, by written notice to the Supplier, revoke or amend the authority of the Customer Representative or appoint a new Customer Representative.

### 21. RECORDS, AUDIT ACCESS AND OPEN BOOK DATA

21.1 The Supplier shall keep and maintain for seven (7) years after the Contract Expiry Date (or as long a period as may be agreed between the Parties), full and accurate records and accounts of the operation of this Contract including the Goods and/or Services provided under it, any Sub-Contracts and the amounts paid by the Customer.

21.2 The Supplier shall:

21.2.1 keep the records and accounts referred to in Clause 21.1 in accordance with Good Industry Practice and Law; and

21.2.2 afford any Auditor access to the records and accounts referred to in Clause 21.1 at the Suppliers premises and/or provide records and accounts (including copies of the Suppliers published accounts) or copies of the same, as may be required by any of the Auditors from time to time during the Contract Period and the period specified in Clause 21.1, in order that the Auditor(s) may carry out an inspection to assess compliance by the Supplier and/or its Sub-Contractors of any of the Suppliers obligations under this Contract including in order to:

(a) verify the accuracy of the Contract Charges and any other amounts payable by the Customer under this Contract (and proposed or actual variations to them in accordance with this Contract );

(b) verify the costs of the Supplier (including the costs of all Sub-Contractors and any third party suppliers) in connection with the provision of the Goods and/or Services;

(c) verify the Open Book Data;

(d) verify the Suppliers and each Sub-Contractor's compliance with the applicable Law;

(e) identify or investigate an actual or suspected Prohibited Act, impropriety or accounting mistakes or any breach or threatened breach of security and in these circumstances the Customer shall have no obligation to inform the Supplier of the purpose or objective of its investigations;

(f) identify or investigate any circumstances which may impact upon the financial stability of the Supplier, the DPS Guarantor and/or the Contract Guarantor and/or any Sub-Contractors or their ability to perform the Goods and/or Services;

(g) obtain such information as is necessary to fulfil the Customer's obligations to supply information for parliamentary, ministerial, judicial or administrative purposes including the supply of information to the Comptroller and Auditor General;

(h) review any books of account and the internal contract management accounts kept by the Supplier in connection with this Contract ;

(i) carry out the Customer's internal and statutory audits and to prepare, examine and/or certify the Customer's annual and interim reports and accounts;

(j) 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 Customer has used its resources;

(k) review any Performance Monitoring Reports provided under Part B of Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring) and/or other records relating to the Suppliers performance of the provision of the Goods and/or Services and to verify that these reflect the Suppliers own internal reports and records;

(l) verify the accuracy and completeness of any information delivered or required by this Contract ;

(m) review the Suppliers quality management systems (including any quality manuals and procedures);

(n) review the Suppliers compliance with the Standards;

(o) inspect the Customer Assets, including the Customer's IPRs, equipment and facilities, for the purposes of ensuring that the Customer Assets are secure and that any register of assets is up to date; and/or

(p) review the integrity, confidentiality and security of the Customer Data.

21.3 The Customer shall use reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the Supplier or delay the provision of the Goods and/or Services save insofar as the Supplier accepts and

acknowledges that control over the conduct of audits carried out by the Auditor(s) is outside of the control of the Customer.

21.4 Subject to the Suppliers rights in respect of Confidential Information, the Supplier shall on demand provide the Auditor(s) with all reasonable co-operation and assistance in:

21.4.1 all reasonable information requested by the Customer within the scope of the audit;

21.4.2 reasonable access to sites controlled by the Supplier and to any Supplier Equipment used in the provision of the Goods and/or Services; and

21.4.3 access to the Supplier Personnel.

21.5 The Parties agree that they shall bear their own respective costs and expenses incurred in respect of compliance with their obligations under this Clause 21, unless the audit reveals a Default by the Supplier in which case the Supplier shall reimburse the Customer for the Customer's reasonable costs incurred in relation to the audit.

## 22. CHANGE

### 22.1 Variation Procedure

22.1.1 Subject to the provisions of this Clause 22 and of Contract Schedule 3 (Contract Charges, Payment and Invoicing), either Party may request a variation to this Contract provided that such variation does not amount to a material change of this Contract within the meaning of the Regulations and the Law. Such a change once implemented is hereinafter called a **"Variation**".

22.1.2 A Party may request a Variation by completing, signing and sending the Variation Form to the other Party giving sufficient information for the receiving Party to assess the extent of the proposed Variation and any additional cost that may be incurred.

22.1.3 Where the Customer has so specified on receipt of a Variation Form from the Supplier, the Supplier shall carry out an impact assessment of the Variation on the Goods and/or Services (the "**Impact Assessment**"). The Impact Assessment shall be completed in good faith and shall include:

(a) details of the impact of the proposed Variation on the Goods and/or Services and the Suppliers ability to meet its other obligations under this Contract ;

(b) details of the cost of implementing the proposed Variation;

(c) details of the ongoing costs required by the proposed Variation when implemented, including any increase or decrease in the Contract Charges, any alteration in the resources and/or expenditure required by either Party and any alteration to the working practices of either Party;

(d) a timetable for the implementation, together with any proposals for the testing of the Variation; and

(e) such other information as the Customer may reasonably request in (or in response to) the Variation request.

22.1.4 The Parties may agree to adjust the time limits specified in the Variation Form to allow for the preparation of the Impact Assessment.

22.1.5 Subject to 22.1.4, the receiving Party shall respond to the request within the time limits specified in the Variation Form. Such time limits shall be reasonable and ultimately at the discretion of the Customer having regard to the nature of the Goods and/or Services and the proposed Variation.

22.1.6 In the event that:

(a) the Supplier is unable to agree to or provide the Variation; and/or

(b) the Parties are unable to agree a change to the Contract Charges that may be included in a request of a Variation or response to it as a consequence thereof,

the Customer may:

(i) agree to continue to perform its obligations under this Contract without the Variation; or

(ii) terminate this Contract with immediate effect, except where the Supplier has already fulfilled part or all of the provision of the Goods and/or Services in accordance with this Contract or where the Supplier can show evidence of substantial work being carried out to provide the Goods and/or Services under this Contract , and in such a case the Parties shall attempt to agree upon a resolution to the matter. Where a resolution cannot be reached, the matter shall be dealt with under the Dispute Resolution Procedure.

22.1.7 If the Parties agree the Variation, the Supplier shall implement such Variation and be bound by the same provisions so far as is applicable, as though such Variation was stated in this Contract .

**22.2 Legislative Change**

22.2.1 The Supplier shall neither be relieved of its obligations under this Contract nor be entitled to an increase in the Contract Charges as the result of a:

(a) General Change in Law;

(b) Specific Change in Law where the effect of that Specific Change in Law on the Goods and/or Services is reasonably foreseeable at the Contract Commencement Date.

22.2.2 If a Specific Change in Law occurs or will occur during the Contract Period (other than as referred to in Clause 22.2.1(b)), the Supplier shall:

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

(i) whether any Variation is required to the provision of the Goods and/or Services, the Contract Charges or this Contract ; and

(ii) whether any relief from compliance with the Suppliers obligations is required, including any obligation to Achieve a Milestone and/or to meet the Service Level Performance Measures; and

(b) provide to the Customer 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 Goods and/or Services; and

(iii) demonstrating that any expenditure that has been avoided, for example which would have been required under the provisions of Clause 18 (Continuous Improvement), has been taken into account in amending the Contract Charges.

22.2.3 Any change in the Contract Charges or relief from the Suppliers obligations resulting from a Specific Change in Law (other than as referred to in Clause 22.2.1(b)) shall be implemented in accordance with the Variation Procedure.

## E. PAYMENT, TAXATION AND VALUE FOR MONEY PROVISIONS

## 23. CONTRACT CHARGES AND PAYMENT

### 23.1 Contract Charges

23.1.1 In consideration of the Supplier carrying out its obligations under this Contract, including the provision of the Goods and/or Services, the Customer shall pay the undisputed Contract Charges in accordance with the pricing and payment profile and the invoicing procedure in Contract Schedule 3 (Contract Charges, Payment and Invoicing).

23.1.2 Except as otherwise provided, each Party shall bear its own costs and expenses incurred in respect of compliance with its obligations under Clauses 12 (Testing), 21 (Records, Audit Access and Open Book Data), 34.5 (Freedom of Information) and 34.6 (Protection of Personal Data).

23.1.3 If the Customer fails to pay any undisputed Contract Charges properly invoiced under this Contract , 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.

23.1.4 NOT USED

### 23.2 VAT

23.2.1 The Contract Charges are stated exclusive of VAT, which shall be added at the prevailing rate as applicable and paid by the Customer following delivery of a Valid Invoice.

23.2.2 The Supplier shall indemnify the Customer on a continuing basis against any liability, including any interest, penalties or costs incurred, which is levied, demanded or assessed on the Customer at any time

(whether before or after the making of a demand pursuant to the indemnity hereunder) in respect of the Suppliers failure to account for or to pay any VAT relating to payments made to the Supplier under this Contract . Any amounts due under Clause 23.2 (VAT) shall be paid in cleared funds by the Supplier to the Customer not less than five (5) Working Days before the date upon which the tax or other liability is payable by the Customer.

**23.3 Retention and Set Off**

23.3.1 The Customer may retain or set off any amount owed to it by the Supplier against any amount due to the Supplier under this Contract or under any other agreement between the Supplier and the Customer.

23.3.2 If the Customer wishes to exercise its right pursuant to Clause 23.3.1 it shall give notice to the Supplier within thirty (30) days of receipt of the relevant invoice, setting out the Customer's reasons for retaining or setting off the relevant Contract Charges.

23.3.3 The Supplier shall make any payments due to the Customer without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise unless the Supplier has obtained a sealed court order requiring an amount equal to such deduction to be paid by the Customer to the Supplier.

**23.4 Foreign Currency**

23.4.1 Any requirement of Law to account for the Goods and/or Services in any currency other than Sterling, (or to prepare for such accounting) instead of and/or in addition to Sterling, shall be implemented by the Supplier free of charge to the Customer.

23.4.2 The Customer shall provide all reasonable assistance to facilitate compliance with Clause 23.4.1 by the Supplier.

**23.5 Income Tax and National Insurance Contributions**

23.5.1 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 Contract , 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 Customer against any income tax, national insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made (whether before or after the making of a demand pursuant to the indemnity hereunder) in connection with the provision of the Goods and/or Services by the Supplier or any Supplier Personnel.

23.5.2 In the event that any one of the Supplier Personnel is a Worker as defined in Contract Schedule 1 (Definitions) who receives consideration relating to the Goods and/or Services, then, in addition to

its obligations under Clause 23.5.1, the Supplier shall ensure that its contract with the Worker contains the following requirements:

(a) that the Customer may, at any time during the Contract Period, request that the Worker provides information which demonstrates how the Worker complies with the requirements of Clause 23.5.1, or why those requirements do not apply to it. In such case, the Customer may specify the information which the Worker must provide and the period within which that information must be provided;

(b) that the Worker's contract may be terminated at the Customer's request if:

(i) the Worker fails to provide the information requested by the Customer within the time specified by the Customer under Clause 23.5.2(a); and/or

(ii) the Worker provides information which the Customer considers is inadequate to demonstrate how the Worker complies with Clause 23.5.1 or confirms that the Worker is not complying with those requirements; and

(c) that the Customer may supply any information it receives from the Worker to HMRC for the purpose of the collection and management of revenue for which they are responsible.

## 24. PROMOTING TAX COMPLIANCE

24.1 This Clause 24 shall apply if the Contract Charges payable under this Contract exceed or are likely to exceed five (5) million pounds during the Contract Period.

24.2 If, at any point during the Contract Period, an Occasion of Tax Non-Compliance occurs, the Supplier shall:

24.2.1 notify the Customer in writing of such fact within five (5) Working Days of its occurrence; and

24.2.2 promptly provide to the Customer:

(a) details of the steps that 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

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

24.3 In the event that the Supplier fails to comply with this Clause 24 and/or does not provide details of proposed mitigating factors which in the reasonable opinion of the Customer are acceptable, then the Customer reserves the right to terminate this Contract for material Default.

## 25. BENCHMARKING

25.1 Notwithstanding the Suppliers obligations under Clause 18 (Continuous Improvement), the Customer shall be entitled to regularly benchmark the Contract Charges and level of performance by the Supplier of the supply of the Goods and/or Services, against other suppliers providing goods and/or services substantially the same as the Goods and/or Services during the Contract Period.

25.2 The Customer, acting reasonably, shall be entitled to use any model to determine the achievement of value for money and to carry out the benchmarking evaluation referred to in Clause 25.1 above.

25.3 The Customer shall be entitled to disclose the results of any benchmarking of the Contract Charges and provision of the Goods and/or Services to the Authority and any Contracting Authority (subject to the Contracting Authority entering into reasonable confidentiality undertakings).

25.4 The Supplier shall use all reasonable endeavours and act in good faith to supply information required by the Customer in order to undertake the benchmarking and such information requirements shall be at the discretion of the Customer.

25.5 Where, as a consequence of any benchmarking carried out by the Customer, the Customer decides improvements to the Goods and/or Services should be implemented such improvements shall be implemented by way of the Variation Procedure at no additional cost to the Customer.

25.6 NOT USED

## F. SUPPLIER PERSONNEL AND SUPPLY CHAIN MATTERS

## 26. KEY PERSONNEL

26.1 This Clause 26 shall apply where the Customer has specified Key Personnel in the Contract Order Form.

26.2 The Contract Order Form lists the key roles ("**Key Roles**") and names of the persons who the Supplier shall appoint to fill those Key Roles at the Contract Commencement Date.

26.3 The Supplier shall ensure that the Key Personnel fulfil the Key Roles at all times during the Contract Period.

26.4 The Customer 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.

26.5 The Supplier shall not remove or replace any Key Personnel (including when carrying out its obligations under Contract Schedule 9 (Exit Management) unless:

26.5.1 requested to do so by the Customer;

26.5.2 the person concerned resigns, retires or dies or is on maternity or long-term sick leave;

26.5.3 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

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

26.6 The Supplier shall:

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

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

26.6.3 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 three (3) Months notice;

26.6.4 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 provision of the Goods and/or Services; and

26.6.5 ensure that any replacement for a Key Role:

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

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

26.6.6 shall and shall procure that any Sub-Contractor shall not remove or replace any Key Personnel during the Contract Period without Approval.

26.7 The Customer may require the Supplier to remove any Key Personnel that the Customer considers in any respect unsatisfactory. The Customer shall not be liable for the cost of replacing any Key Personnel.

## 27. SUPPLIER PERSONNEL

### 27.1 Supplier Personnel

27.1.1 The Supplier shall:

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

(b) ensure that all Supplier Personnel:

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

(ii) are vetted in accordance with Good Industry Practice and, where applicable, the Security Policy and the Standards;

(iii) obey all lawful instructions and reasonable directions of the Customer (including, if so required by the Customer, the ICT Policy) and provide the Goods and/or Services to the reasonable satisfaction of the Customer; and

(iv) comply with all reasonable requirements of the Customer concerning conduct at the Customer Premises, including the security requirements set out in Contract Schedule 7 (Security);

(c) subject to Contract Schedule 10 (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 Customer;

(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 Contract 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 Customer Premises immediately upon the Contract Expiry Date.

27.1.2 If the Customer reasonably believes that any of the Supplier Personnel are unsuitable to undertake work in respect of this Contract , it may:

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

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

27.1.3 The decision of the Customer as to whether any person is to be refused access to the Customer Premises shall be final and conclusive.

**27.2 Relevant Convictions**

27.2.1 This sub-clause 27.2 shall apply if the Customer has specified Relevant Convictions in the Contract Order Form.

27.2.2 The Supplier shall ensure that no person who discloses that he has a Relevant Conviction, or who is found to have any Relevant Convictions (whether as a result of a police check or through the procedure of the Disclosure and Barring Service (DBS) or otherwise), is employed or engaged in any part of the provision of the Goods and/or Services without Approval.

27.2.3 Notwithstanding Clause 27.2.2, for each member of Supplier Personnel who, in providing the Goods and/or Services, has, will have or is likely to have access to children, vulnerable persons or other members of the public to whom the Customer owes a special duty of care, the Supplier shall (and shall procure that the relevant Sub-Contractor shall):

(a) carry out a check with the records held by the Department for Education (DfE);

(b) conduct thorough questioning regarding any Relevant Convictions; and

(c) ensure a police check is completed and such other checks as may be carried out through the Disclosure and Barring Service (DBS),

and the Supplier shall not (and shall ensure that any Sub-Contractor shall not) engage or continue to employ in the provision of the Goods and/or Services any person who has a Relevant Conviction or an inappropriate record.

## 28. STAFF TRANSFER

28.1 This Clause 28 shall not apply if there are Goods but no Services under this Contract .

28.2 The Parties agree that :

28.2.1 where the commencement of the provision of the Services or any part of the Services results in one or more Relevant Transfers, Contract Schedule 10 (Staff Transfer) shall apply as follows:

(a) where the Relevant Transfer involves the transfer of Transferring Customer Employees, Part A of Contract Schedule 10 (Staff Transfer) shall apply;

(b) where the Relevant Transfer involves the transfer of Transferring Former Supplier Employees, Part B of Contract Schedule 10 (Staff Transfer) shall apply;

(c) where the Relevant Transfer involves the transfer of Transferring Customer Employees and Transferring Former Supplier Employees, Parts A and B of Contract Schedule 10 (Staff Transfer) shall apply; and

(d) Part C of Contract Schedule 10 (Staff Transfer) shall not apply;

28.2.2 where commencement of the provision of the Services or a part of the Services does not result in a Relevant Transfer, Part C of Contract Schedule 10 (Staff Transfer) shall apply and Parts A and B of Contract Schedule 10 (Staff Transfer) shall not apply; and

28.2.3 Part D of Contract Schedule 10 (Staff Transfer) shall apply on the expiry or termination of the Services or any part of the Services;

28.3 The Supplier shall both during and after the Contract Period indemnify the Customer against all Employee Liabilities that may arise as a result of any claims brought against the Customer by any person where such claim arises from any act or omission of the Supplier or any Supplier Personnel.

## 29. SUPPLY CHAIN RIGHTS AND PROTECTION

### 29.1 Appointment of Sub-Contractors

29.1.1 The Supplier shall exercise due skill and care in the selection 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 Contract in the Delivery of the Goods and/or Services; and

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

29.1.2 Prior to sub-contacting any of its obligations under this Contract , the Supplier shall notify the Customer and provide the Customer with:

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

(b) the scope of any Goods and/or 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 Customer that the proposed Sub-Contract has been agreed on "arm's-length" terms.

29.1.3 If requested by the Customer within ten (10) Working Days of receipt of the Suppliers notice issued pursuant to Clause 29.1.2, the Supplier shall also provide:

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

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

29.1.4 The Customer may, within ten (10) Working Days of receipt of the Suppliers notice issued pursuant to Clause 29.1.2 (or, if later, receipt of any further information requested pursuant to Clause 29.1.3), object to the appointment of the relevant Sub-Contractor if they consider that:

(a) the appointment of a proposed Sub-Contractor may prejudice the provision of the Goods and/or Services or may be contrary to the interests respectively of the Customer under this Contract ;

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

(c) the proposed Sub-Contractor employs unfit persons,

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

29.1.5 If:

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

(i) the Suppliers notice issued pursuant to Clause 29.1.2; and

(ii) any further information requested by the Customer pursuant to Clause 29.1.3; and

(b) the proposed Sub-Contract is not a Key Sub-Contract which shall require the written consent of the Authority and the Customer in accordance with Clause 29.2 (Appointment of Key Sub-Contractors).

the Supplier may proceed with the proposed appointment.

**29.2 Appointment of Key Sub-Contractors**

29.2.1 The Authority and the Customer have consented to the engagement of the Key Sub-Contractors listed in DPS Schedule 7 (Key Sub-Contractors).

29.2.2 Where the Supplier wishes to enter into a new Key Sub-Contract or replace a Key Sub-Contractor, it must obtain the prior written consent of the Authority and the Customer (the decision to consent or otherwise not to be unreasonably withheld or delayed). The Authority and/or the Customer may reasonably withhold its consent to the appointment of a Key Sub-Contractor if any of them considers that:

(a) the appointment of a proposed Key Sub-Contractor may prejudice the provision of the Goods and/or Services or may be contrary to its interests;

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

(c) the proposed Key Sub-Contractor employs unfit persons.

29.2.3 Except where the Authority and the Customer have given their prior written consent under Clause 29.2.1, the Supplier shall ensure that each Key Sub-Contract shall include:

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

(b) a right under CRTPA for the Customer to enforce any provisions under the Key Sub-Contract which confer a benefit upon the Customer;

(c) a provision enabling the Customer 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 Customer or any Replacement Supplier;

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

(i) data protection requirements set out in Clauses 34.1 (Security Requirements), 34.2 (Protection of Customer Data) and 34.6 (Protection of Personal Data);

(ii) FOIA requirements set out in Clause 34.5 (Freedom of Information);

(iii) the obligation not to embarrass the Customer or otherwise bring the Customer into disrepute set out in Clause 7.1.4(l) (Provision of Goods and/or Services);

(iv) the keeping of records in respect of the Goods and/or Services being provided under the Key Sub-Contract, including the maintenance of Open Book Data;

(v) the conduct of audits set out in Clause 21 (Records, Audit Access & Open Book Data);

(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 Customer under Clauses 41 (Customer Termination Rights), 43 (Termination by Either Party) and 45 (Consequences of Expiry or Termination) of this Contract ;

(g) a provision restricting the ability of the Key Sub-Contractor to Sub-Contract all or any part of the provision of the Goods and/or Services provided to the Supplier under the Sub-Contract without first seeking the written consent of the Customer;

(h) a provision, where a provision in Contract Schedule 10 (Staff Transfer) imposes an obligation on the Supplier to provide an indemnity, undertaking or warranty, requiring the Key Sub-Contractor to provide such indemnity, undertaking or warranty to the Customer, Former Supplier or the Replacement Supplier as the case may be.

**29.3 Supply Chain Protection**

29.3.1 The Supplier shall ensure that all Sub-Contracts contain a provision:

(a) requiring the Supplier to pay any undisputed sums which are due from it to the Sub-Contractor within a specified period not exceeding thirty (30) days from the receipt of a Valid Invoice;

(b) requiring that any invoices submitted by a Sub-Contractor shall be considered and verified by the Supplier in a timely fashion and that undue delay in doing so shall not be sufficient justification for failing to regard an invoice as valid and undisputed;

(c) requiring the Sub-Contractor to include in any Sub-Contract which it in turn awards suitable provisions to impose, as between the parties to that Sub-Contract, requirements to the same effect as those required by sub-clauses (a) and (b) directly above; and

(d) conferring a right to the Customer to publish the Suppliers compliance with its obligation to pay undisputed invoices within the specified payment period.

29.3.2 The Supplier shall:

(a) pay any undisputed sums which are due from it to a Sub-Contractor within thirty (30) days from the receipt of a Valid Invoice;

(b) include within the Performance Monitoring Reports required under Part B of Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring) a summary of its compliance with this Clause 29.3.2 (a), such data to be certified each quarter by a director of the Supplier as being accurate and not misleading.

29.3.3 Any invoices submitted by a Sub-Contractor to the Supplier shall be considered and verified by the Supplier in a timely fashion. Undue

delay in doing so shall not be sufficient justification for the Supplier failing to regard an invoice as valid and undisputed.

29.3.4 Notwithstanding any provision of Clauses 34.3 (Confidentiality) and 35 (Publicity and Branding) if the Supplier notifies the Customer that the Supplier has failed to pay an undisputed Sub-Contractor's invoice within thirty (30) days of receipt, or the Customer otherwise discovers the same, the Customer shall be entitled to publish the details of the late or non-payment (including on government websites and in the press).

**29.4 Termination of Sub-Contracts**

29.4.1 The Customer 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 Customer's right of termination pursuant to any of the termination events in Clause 41 (Customer Termination Rights) except Clause 41.7 (Termination Without Cause); and/or

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

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

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

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

**29.5 Competitive Terms**

29.5.1 If the Customer is able to obtain from any Sub-Contractor or any other third party more favourable commercial terms with respect to the supply of any materials, equipment, software, goods or services used by the Supplier or the Supplier Personnel in the supply of the Goods and/or Services, then the Customer may:

(a) require the Supplier to replace its existing commercial terms with its Sub-Contractor with the more favourable commercial terms obtained by the Customer in respect of the relevant item; or

(b) subject to Clause 29.4 (Termination of Sub-Contracts), enter into a direct agreement with that Sub-Contractor or third party in respect of the relevant item.

29.5.2 If the Customer exercises the option pursuant to Clause 29.5.1, then the Contract Charges shall be reduced by an amount that is agreed in accordance with the Variation Procedure.

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

(a) the Customer making the relevant item available to the Supplier where this is necessary for the Supplier to provide the Goods and/or Services; and

(b) any reduction in the Contract 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.

**29.6 Retention of Legal Obligations**

29.6.1 Notwithstanding the Suppliers right to Sub-Contract pursuant to Clause 29 (Supply Chain Rights and Protection), 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.

## G. PROPERTY MATTERS

## 30. CUSTOMER PREMISES

30.1 Licence to occupy Customer Premises

30.1.1 Any Customer Premises shall be made available to the Supplier on a non-exclusive licence basis free of charge and shall be used by the Supplier solely for the purpose of performing its obligations under this Contract . The Supplier shall have the use of such Customer Premises as licensee and shall vacate the same immediately upon completion, termination, expiry or abandonment of this Contract and in accordance with Contract Schedule 9 (Exit Management).

30.1.2 The Supplier shall limit access to the Customer Premises to such Supplier Personnel as is necessary to enable it to perform its obligations under this Contract and the Supplier shall co-operate (and ensure that the Supplier Personnel co-operate) with such other persons working concurrently on such Customer Premises as the Customer may reasonably request.

30.1.3 Save in relation to such actions identified by the Supplier in accordance with Clause 2 (Due Diligence) and set out in the Contract Order Form (or elsewhere in this Contract ), should the Supplier require modifications to the Customer Premises, such modifications shall be subject to Approval and shall be carried out by the Customer at the Suppliers expense. The Customer shall undertake any modification work which it approves pursuant to this Clause 30.1.3 without undue delay. Ownership of such modifications shall rest with the Customer.

30.1.4 The Supplier shall observe and comply with such rules and regulations as may be in force at any time for the use of such Customer Premises and conduct of personnel at the Customer Premises as determined by the Customer, and the Supplier shall pay for the full cost of making

good any damage caused by the Supplier Personnel other than fair wear and tear. For the avoidance of doubt, damage includes without limitation damage to the fabric of the buildings, plant, fixed equipment or fittings therein.

30.1.5 The Parties agree that there is no intention on the part of the Customer to create a tenancy of any nature whatsoever in favour of the Supplier or the Supplier Personnel and that no such tenancy has or shall come into being and, notwithstanding any rights granted pursuant to this Contract , the Customer retains the right at any time to use any Customer Premises in any manner it sees fit.

30.2 Security of Customer Premises

30.2.1 The Customer shall be responsible for maintaining the security of the Customer Premises in accordance with the Security Policy. The Supplier shall comply with the Security Policy and any other reasonable security requirements of the Customer while on the Customer Premises.

30.2.2 The Customer shall afford the Supplier upon Approval (the decision to Approve or not will not be unreasonably withheld or delayed) an opportunity to inspect its physical security arrangements.

## 31. CUSTOMER PROPERTY

31.1 Where the Customer issues Customer Property free of charge to the Supplier such Customer Property shall be and remain the property of the Customer and the Supplier irrevocably licences the Customer and its agents to enter upon any premises of the Supplier during normal business hours on reasonable notice to recover any such Customer Property.

31.2 The Supplier shall not in any circumstances have a lien or any other interest on the Customer Property and at all times the Supplier shall possess the Customer Property as fiduciary agent and bailee of the Customer.

31.3 The Supplier shall take all reasonable steps to ensure that the title of the Customer to the Customer Property and the exclusion of any such lien or other interest are brought to the notice of all Sub-Contractors and other appropriate persons and shall, at the Customer's request, store the Customer Property separately and securely and ensure that it is clearly identifiable as belonging to the Customer.

31.4 The Customer Property shall be deemed to be in good condition when received by or on behalf of the Supplier unless the Supplier notifies the Customer otherwise within five (5) Working Days of receipt.

31.5 The Supplier shall maintain the Customer Property in good order and condition (excluding fair wear and tear) and shall use the Customer Property solely in connection with this Contract and for no other purpose without Approval.

31.6 The Supplier shall ensure the security of all the Customer Property whilst in its possession, either on the Sites or elsewhere during the supply of the Goods and/or Services, in accordance with the Customer's Security Policy and the Customer's reasonable security requirements from time to time.

31.7 The Supplier shall be liable for all loss of, or damage to the Customer Property, (excluding fair wear and tear), unless such loss or damage was solely caused by a Customer Cause. The Supplier shall inform the Customer immediately of

becoming aware of any defects appearing in or losses or damage occurring to the Customer Property.

## 32. SUPPLIER EQUIPMENT

32.1 Unless otherwise stated in the Contract Order Form (or elsewhere in this Contract ), the Supplier shall provide all the Supplier Equipment necessary for the provision of the Goods and/or Services.

32.2 The Supplier shall not deliver any Supplier Equipment nor begin any work on the Customer Premises without obtaining Approval.

32.3 The Supplier shall be solely responsible for the cost of carriage of the Supplier Equipment to the Sites and/or any Customer Premises, including its off-loading, removal of all packaging and all other associated costs. Likewise on the Contract Expiry Date the Supplier shall be responsible for the removal of all relevant Supplier Equipment from the Sites and/or any Customer Premises, including the cost of packing, carriage and making good the Sites and/or the Customer Premises following removal.

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

32.5 Subject to any express provision of the BCDR 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 Goods and/or Services in accordance with this Contract , including the Service Level Performance Measures.

32.6 The Supplier shall maintain all Supplier Equipment within the Sites and/or the Customer Premises in a safe, serviceable and clean condition.

32.7 The Supplier shall, at the Customer's written request, at its own expense and as soon as reasonably practicable:

32.7.1 remove from the Customer Premises any Supplier Equipment or any component part of Supplier Equipment which in the reasonable opinion of the Customer is either hazardous, noxious or not in accordance with this Contract ; and

32.7.2 replace such Supplier Equipment or component part of Supplier Equipment with a suitable substitute item of Supplier Equipment.

32.8 For the purposes of this Clause 32.8, 'X' shall be the number of Service Failures, and 'Y' shall be the period in months, as respectively specified for 'X' and 'Y' in the Contract Order Form. If this Clause 32.8 has been specified to apply in the Contract Order Form, and there are no values specified for 'X' and/or 'Y', in default, 'X' shall be two (2) and 'Y' shall be twelve (12). Where a failure of Supplier Equipment or any component part of Supplier Equipment causes X or more Service Failures in any Y Month period, the Supplier shall notify the Customer in writing and shall, at the Customer's request (acting reasonably), replace such Supplier Equipment or component part thereof at its own cost with a new item of Supplier Equipment or component part thereof (of the same specification or having the same capability as the Supplier Equipment being replaced).

## H. INTELLECTUAL PROPERTY AND INFORMATION

## 33. INTELLECTUAL PROPERTY RIGHTS

### 33.1 Allocation of title to IPR

33.1.1 Save as expressly granted elsewhere under this Contract :

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

(i) the Supplier Background IPR;

(ii) the Third Party IPR; and

(iii) the Project Specific IPR.

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

(i) Customer Background IPR; and

(ii) Customer Data.

33.1.2 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 33.1, 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).

33.1.3 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.

### 33.2 Licence granted by the Supplier: Project Specific IPR

33.2.1 The Supplier hereby grants to the Customer, or shall procure the direct grant to the Customer of, a perpetual, royalty-free, irrevocable, non-exclusive licence to use the Project Specific IPR including but not limited to the right to copy, adapt, publish and distribute such Project Specific IPR.

### 33.3 Licence granted by the Supplier: Supplier Background IPR

33.3.1 The Supplier hereby grants to the Customer a perpetual, royalty-free and non-exclusive licence to use the Supplier Background IPR for any purpose relating to the Goods and/or Services (or substantially equivalent goods and/or services) or for any purpose relating to the exercise of the Customer's (or, if the Customer is a Central Government Body, any other Central Government Body's) business or function.

33.3.2 At any time during the Contract Period or following the Contract Expiry Date, the Supplier may terminate a licence granted in respect of the Supplier Background IPR under Clause 33.3.1 by giving thirty (30) days' notice in writing (or such other period as agreed by the Parties) if there is a Customer Cause which constitutes a material breach of the terms of 33.3.1 which, if the breach is capable of remedy, is not remedied within twenty (20) Working Days after the Supplier gives the Customer written notice specifying the breach and requiring its remedy.

33.3.3 In the event the licence of the Supplier Background IPR is terminated pursuant to Clause 33.3.2, the Customer shall:

(a) immediately cease all use of the Supplier Background IPR;

(b) at the discretion of the Supplier, return or destroy documents and other tangible materials that contain any of the Supplier Background IPR, provided that if the Supplier has not made an election within six (6) Months of the termination of the licence, the Customer may destroy the documents and other tangible materials that contain any of the Supplier Background IPR; and

(c) ensure, so far as reasonably practicable, that any Supplier Background IPR that is held in electronic, digital or other machine-readable form ceases to be readily accessible (other than by the information technology staff of the Customer) from any computer, word processor, voicemail system or any other device containing such Supplier Background IPR.

**33.4 Customer's right to sub-license**

33.4.1 The Customer shall be freely entitled to sub-license the rights granted to it pursuant to Clause 33.2.1 (Licence granted by the Supplier: Project Specific IPR).

33.4.2 The Customer may sub-license:

(a) the rights granted under Clause 33.3.1 (Licence granted by the Supplier: Supplier Background IPR) 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 Customer; and

(ii) the sub-licence only authorises the third party to use the rights licensed in Clause 33.3.1 (Licence granted by the Supplier: Supplier Background IPR) for purposes relating to the Goods and/or Services (or substantially equivalent goods and/or services) or for any purpose relating to the exercise of the Customer's (or, if the Customer is a Central Government Body, any other Central Government Body's) business or function; and

(b) the rights granted under Clause 33.3.1 (Licence granted by the Supplier: Supplier Background IPR) to any Approved Sub-Licensee to the extent necessary to use and/or obtain the benefit of the Project Specific IPR provided that the sub-licence is on terms no broader than those granted to the Customer.

**33.5 Customer's right to assign/novate licences**

33.5.1 The Customer shall be freely entitled to assign, novate or otherwise transfer its rights and obligations under the licence granted to it pursuant to Clause 33.2 (Licence granted by the Supplier: Project Specific IPR).

33.5.2 The Customer may assign, novate or otherwise transfer its rights and obligations under the licence granted pursuant to Clause 33.3 (Licence granted by the Supplier: Supplier Background IPR) 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 Customer.

33.5.3 Where the Customer is a Central Government Body, any change in the legal status of the Customer which means that it ceases to be a Central Government Body shall not affect the validity of any licence granted in Clause 33.2 (Licence granted by the Supplier: Project Specific IPR) and/or Clause 33.3 (Licences granted by the Supplier: Supplier Background IPR). If the Customer ceases to be a Central Government Body, the successor body to the Customer shall still be entitled to the benefit of the licences granted in Clause 33.2 (Licence granted by the Supplier: Project Specific IPR) and Clause 33.3 (Licence granted by the Supplier: Supplier Background IPR).

33.5.4 If a licence granted in Clause 33.2 (Licence granted by the Supplier: Project Specific IPR) and/or Clause 33.3 (Licence granted by the Supplier: Supplier Background IPR) is novated under Clauses 33.5.1 and/or 33.5.2 or there is a change of the Customer's status pursuant to Clause 33.5.3 (both such bodies being referred to as the **"Transferee"**), the rights acquired by the Transferee shall not extend beyond those previously enjoyed by the Customer.

**33.6 Third Party IPR**

33.6.1 The Supplier shall procure that the owners or the authorised licensors of any Third Party IPR grant a direct licence to the Customer on terms at least equivalent to those set out in Clause 33.3 (Licence granted by the Supplier: Supplier Background IPR) and Clause 33.5.2 (Customer's right to assign/novate licences). If the Supplier cannot obtain for the Customer a licence materially in accordance with the licence terms set out in Clause 33.3 (Licences granted by the Supplier: Supplier Background IPR) and Clause 33.5.2 (Customer's right to assign/novate licences) in respect of any such Third Party IPR, the Supplier shall:

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

(b) only use such Third Party IPR if the Customer Approves the terms of the licence from the relevant third party.

**33.7 Licence granted by the Customer**

33.7.1 The Customer hereby grants to the Supplier a royalty-free, non-exclusive, non-transferable licence during the Contract Period to use the Customer Background IPR and the Customer Data solely to the extent necessary for providing the Goods and/or Services in accordance with this Contract , 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 34.3 (Confidentiality); and

(b) the Supplier shall not without Approval use the licensed materials for any other purpose or for the benefit of any person other than the Customer.

**33.8 Termination of licenses**

33.8.1 Subject to Clause 33.3 (Licence granted by the Supplier: Supplier Background IPR), all licences granted pursuant to Clause 33 (Intellectual Property Rights) (other than those granted pursuant to Clause 33.6 (Third Party IPR) and 33.7 (Licence granted by the Customer)) shall survive the Contract Expiry Date.

33.8.2 The Supplier shall, if requested by the Customer in accordance with Contract Schedule 9 (Exit Management), grant (or procure the grant) to the Replacement Supplier of a licence to use any Supplier Background IPR and/or Third Party IPR on terms equivalent to those set out in Clause 33.3 (Licence granted by the Supplier: Supplier Background IPR) subject to the Replacement Supplier entering into reasonable confidentiality undertakings with the Supplier.

33.8.3 The licence granted pursuant to Clause 33.7 (Licence granted by the Customer ) and any sub-licence granted by the Supplier in accordance with Clause 33.7.1 (Licence granted by the Customer) shall terminate automatically on the Contract Expiry Date and the Supplier shall:

(a) immediately cease all use of the Customer Background IPR and the Customer Data (as the case may be);

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

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

**33.9 IPR Indemnity**

33.9.1 The Supplier shall, during and after the Contract Period, on written demand, indemnify the Customer against all Losses incurred by, awarded against, or agreed to be paid by the Customer (whether before or after the making of the demand pursuant to the indemnity hereunder) arising from an IPR Claim.

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

(a) procure for the Customer the right to continue using the relevant item which is subject to the IPR 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 Goods and/or Services;

(iii) there is no additional cost to the Customer; and

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

33.9.3 If the Supplier elects to procure a licence in accordance with Clause 33.9.2(a) or to modify or replace an item pursuant to Clause 33.9.2(b), but this has not avoided or resolved the IPR Claim, then:

(i) the Customer may terminate this Contract by written notice with immediate effect; and

(ii) without prejudice to the indemnity set out in Clause 33.9.1, the Supplier shall be liable for all reasonable and unavoidable costs of the substitute goods and/or services including the additional costs of procuring, implementing and maintaining the substitute items.

## 34. SECURITY AND PROTECTION OF INFORMATION

### 34.1 Security Requirements

34.1.1 The Supplier shall comply with the Security Policy and the requirements of Contract Schedule 7 (Security) including the Security Management Plan (if any) and shall ensure that the Security Management Plan produced by the Supplier fully complies with the Security Policy.

34.1.2 The Customer shall notify the Supplier of any changes or proposed changes to the Security Policy.

34.1.3 If the Supplier believes that a change or proposed change to the Security Policy will have a material and unavoidable cost implication to the provision of the Goods and/or Services it may propose a Variation to the Customer. 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 Contract Charges shall then be subject to the Variation Procedure.

34.1.4 Until and/or unless a change to the Contract Charges is agreed by the Customer pursuant to the Variation Procedure the Supplier shall continue to provide the Goods and/or Services in accordance with its existing obligations.

### 34.2 Protection of Customer Data

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

34.2.2 The Supplier shall not store, copy, disclose, or use the Customer Data except as necessary for the performance by the Supplier of its

obligations under this Contract or as otherwise Approved by the Customer.

34.2.3 To the extent that the Customer Data is held and/or Processed by the Supplier, the Supplier shall supply that Customer Data to the Customer as requested by the Customer and in the format (if any) specified by the Customer in the Contract Order Form and, in any event, as specified by the Customer from time to time in writing.

34.2.4 The Supplier shall take responsibility for preserving the integrity of Customer Data and preventing the corruption or loss of Customer Data.

34.2.5 The Supplier shall perform secure back-ups of all Customer Data and shall ensure that up-to-date back-ups are stored off-site at an Approved location in accordance with any BCDR Plan or otherwise. The Supplier shall ensure that such back-ups are available to the Customer (or to such other person as the Customer may direct) at all times upon request and are delivered to the Customer at no less than six (6) Monthly intervals (or such other intervals as may be agreed in writing between the Parties).

34.2.6 The Supplier shall ensure that any system on which the Supplier holds any Customer Data, including back-up data, is a secure system that complies with the Security Policy and the Security Management Plan (if any).

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

34.2.8 If the Customer Data is corrupted, lost or sufficiently degraded as a result of a Default so as to be unusable, the Supplier may:

(a) require the Supplier (at the Suppliers expense) to restore or procure the restoration of Customer Data to the extent and in accordance with the requirements specified in Contract Schedule 8 (Business Continuity and Disaster Recovery) or as otherwise required by the Customer, and the Supplier shall do so as soon as practicable but not later than five (5) Working Days from the date of receipt of the Customer's notice; and/or

(b) itself restore or procure the restoration of Customer 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 Contract Schedule 8 (Business Continuity and Disaster Recovery) or as otherwise required by the Customer.

**34.3 Confidentiality**

34.3.1 For the purposes of Clause 34.3, 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.

34.3.2 Except to the extent set out in Clause 34.3 or where disclosure is expressly permitted elsewhere in this Contract , 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); and

(b) not disclose the Disclosing Party's Confidential Information to any other person except as expressly set out in this Contract 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 Contract ; 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.

34.3.3 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 34.5 (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 Customer arising out of or in connection with this Contract ;

(ii) the examination and certification of the Customer'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 Customer is making use of any Goods and/or Services provided under this Contract ; or

(iii) the conduct of a Central Government Body review in respect of this Contract ; 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.

34.3.4 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.

34.3.5 Subject to Clause 34.3.2, the Supplier may only disclose the Confidential Information of the Customer on a confidential basis to:

(a) Supplier Personnel who are directly involved in the provision of the Goods and/or Services and need to know the Confidential

Information to enable performance of the Suppliers obligations under this Contract ; and

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

34.3.6 Where the Supplier discloses Confidential Information of the Customer pursuant to Clause 34.3.5, it shall remain responsible at all times for compliance with the confidentiality obligations set out in this Contract by the persons to whom disclosure has been made.

34.3.7 The Customer may disclose the Confidential Information of the Supplier:

(a) to any Central Government Body on the basis that the information may only be further disclosed to Central Government Bodies;

(b) to the British Parliament and any committees of the British Parliament or if required by any British Parliamentary reporting requirement;

(c) to the extent that the Customer (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 34.3.7(a) (including any benchmarking organisation) for any purpose relating to or connected with this Contract ;

(e) on a confidential basis for the purpose of the exercise of its rights under this Contract ; or

(f) to a proposed transferee, assignee or novatee of, or successor in title to the Customer,

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 Customer under Clause 34.3.

34.3.8 Nothing in Clause 34.3 shall prevent a Recipient from using any techniques, ideas or Know-How gained during the performance of this Contract 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.

34.3.9 In the event that the Supplier fails to comply with Clauses 34.3.2 to 34.3.5, the Customer reserves the right to terminate this Contract for material Default.

**34.4 Transparency**

34.4.1 The Parties acknowledge and agree that, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA, the content of this Contract and any Transparency Reports under it is not Confidential Information and shall be made available in accordance with the procurement policy note 13/15 https://www.gov.uk/government/uploads/system/uploads/attachment_d

ata/file/458554/Procurement_Policy_Note_13_15.pdf and the Transparency Principles referred to therein. The Customer shall determine whether any of the content of this Contract is exempt from disclosure in accordance with the provisions of the FOIA. The Customer may consult with the Supplier to inform its decision regarding any redactions but shall have the final decision in its absolute discretion.

34.4.2 Notwithstanding any other provision of this Contract , the Supplier hereby gives his consent for the Customer to publish this Contract in its entirety (but with any information which is exempt from disclosure in accordance with the provisions of the FOIA **redacted**), including any changes to this Contract agreed from time to time.

34.4.3 The Supplier shall assist and cooperate with the Customer to enable the Customer to publish this Contract .

**34.5 Freedom of Information**

34.5.1 The Supplier acknowledges that the Customer 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 Customer to enable the Customer to comply with its Information disclosure obligations under the FOIA and EIRs;

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

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

(d) not respond directly to a Request for Information unless authorised in writing to do so by the Customer.

34.5.2 The Supplier acknowledges that the Customer may be required under the FOIA and EIRs to disclose Information (including Commercially Sensitive Information) without consulting or obtaining consent from the Supplier. The Customer 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 Contract ) the Customer 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/or the EIRs.

**34.6 Protection of Personal Data**

34.6.1 Where any Personal Data are Processed in connection with the exercise of the Parties' rights and obligations under this Contract , the Parties acknowledge that the Customer is the Data Controller and that the Supplier is the Data Processor.

34.6.2 The Supplier shall:

(a) Process the Personal Data only in accordance with instructions from the Customer to perform its obligations under this Contract ;

(b) ensure that at all times it has in place appropriate technical and organisational measures to guard against unauthorised or unlawful Processing of the Personal Data and/or accidental loss, destruction, or damage to the Personal Data, including the measures as are set out in Clauses 34.1 (Security Requirements) and 34.2 (Protection of Customer Data);

(c) not disclose or transfer the Personal Data to any third party or Supplier Personnel unless necessary for the provision of the Goods and/or Services and, for any disclosure or transfer of Personal Data to any third party, obtain the prior written consent of the Customer (save where such disclosure or transfer is specifically authorised under this Contract )

(d) take reasonable steps to ensure the reliability and integrity of any Supplier Personnel who have access to the Personal Data and ensure that the Supplier Personnel:

(i) are aware of and comply with the Suppliers duties under Clause 34.6.2 and Clauses 34.1 (Security Requirements), 34.2 (Protection of Customer Data) and 34.3 (Confidentiality);

(ii) 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 Customer or as otherwise permitted by this Contract ; and

(iii) have undergone adequate training in the use, care, protection and handling of personal data (as defined in the DPA);

(e) notify the Customer within five (5) Working Days if it receives:

(i) from a Data Subject (or third party on their behalf) a Data Subject Access Request (or purported Data Subject Access Request) a request to rectify, block or erase any Personal Data or any other request, complaint or communication relating to the Customer's obligations under the DPA;

(ii) any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data; or

(iii) 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;

(f) provide the Customer with full cooperation and assistance (within the timescales reasonably required by the Customer) in relation to any complaint, communication or request made (as

referred to at Clause 34.6.2(e)), including by promptly providing:

(i) the Customer with full details and copies of the complaint, communication or request;

(ii) where applicable, such assistance as is reasonably requested by the Customer to enable the Customer to comply with the Data Subject Access Request within the relevant timescales set out in the DPA; and

(iii) the Customer, on request by the Customer, with any Personal Data it holds in relation to a Data Subject; and

(g) if requested by the Customer, provide a written description of the measures that has taken and technical and organisational security measures in place, for the purpose of compliance with its obligations pursuant to Clause 34.6.2 and provide to the Customer copies of all documentation relevant to such compliance including, protocols, procedures, guidance, training and manuals.

34.6.3 The Supplier shall not Process or otherwise transfer any Personal Data in or to any country outside the European Economic Area or any country which is not determined to be adequate by the European Commission pursuant to Article 25(6) of Directive 95/46/EC (together "**Restricted Countries**"). If, after the Contract Commencement Date, the Supplier or any Sub-Contractor wishes to Process and/or transfer any Personal Data in or to any outside the European Economic Area, the following provisions shall apply:

(a) the Supplier shall propose a Variation to the Customer which, if it is agreed by the Customer, shall be dealt with in accordance with the Variation Procedure and Clauses 34.6.3(b) to 34.6.3(c);

(b) the Supplier shall set out in its proposal to the Customer for a Variation details of the following:

(i) the Personal Data which will be transferred to and/or Processed in or to any Restricted Countries;

(ii) the Restricted Countries to which the Personal Data will be transferred and/or Processed; and

(iii) any Sub-Contractors or other third parties who will be Processing and/or receiving Personal Data in Restricted Countries;

(iv) how the Supplier will ensure an adequate level of protection and adequate safeguards in respect of the Personal Data that will be Processed in and/or transferred to Restricted Countries so as to ensure the Customer's compliance with the DPA;

(c) in providing and evaluating the Variation, the Parties shall ensure that they have regard to and comply with then-current Customer, Central Government Bodies and Information Commissioner Office policies, procedures, guidance and codes of practice on, and any approvals processes in connection with,

the Processing in and/or transfers of Personal Data to any Restricted Countries; and

(d) the Supplier shall comply with such other instructions and shall carry out such other actions as the Customer may notify in writing, including:

(i) incorporating standard and/or model clauses (which are approved by the European Commission as offering adequate safeguards under the DPA) into this Contract or a separate data processing agreement between the Parties; and

(ii) procuring that any Sub-Contractor or other third party who will be Processing and/or receiving or accessing the Personal Data in any Restricted Countries either enters into:

(A) a direct data processing agreement with the Customer on such terms as may be required by the Customer; or

(B) a data processing agreement with the Supplier on terms which are equivalent to those agreed between the Customer and the Sub-Contractor relating to the relevant Personal Data transfer, and

(iii) in each case which the Supplier acknowledges may include the incorporation of model contract provisions (which are approved by the European Commission as offering adequate safeguards under the DPA) and technical and organisation measures which the Customer deems necessary for the purpose of protecting Personal Data.

34.6.4 The Supplier shall use its reasonable endeavours to assist the Customer to comply with any obligations under the DPA and shall not perform its obligations under this Contract in such a way as to cause the Customer to breach any of the Customer's obligations under the DPA to the extent the Supplier is aware, or ought reasonably to have been aware, that the same would be a breach of such obligations.

## 35. PUBLICITY AND BRANDING

35.1 The Supplier shall not:

35.1.1 make any press announcements or publicise this Contract in any way; or

35.1.2 use the Customer's name or brand in any promotion or marketing or announcement of orders,

35.1.3 without Approval (the decision of the Customer to Approve or not shall not be unreasonably withheld or delayed).

35.2 Each Party acknowledges to the other that nothing in this Contract either expressly or by implication constitutes an endorsement of any products or services of the other Party (including the Goods and/or Services and Supplier

Equipment) and each Party agrees not to conduct itself in such a way as to imply or express any such approval or endorsement.

## I. LIABILITY AND INSURANCE

### 36. LIABILITY

36.1 Unlimited Liability

36.1.1 Neither Party excludes or limits it liability for:

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

(b) bribery or Fraud 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 excluded or limited by Law.

36.1.2 The Supplier does not exclude or limit its liability in respect of the indemnity in Clauses 33.9 (IPR Indemnity) and in each case whether before or after the making of a demand pursuant to the indemnity therein.

36.2 Financial Limits

36.2.1 Subject to Clause 36.1 (Unlimited Liability), the Suppliers total aggregate liability:

(a) in respect of all:

(i) Service Credits; and

(ii) Compensation for Critical Service Level Failure;

incurred in any rolling period of twelve (12) Months shall be subject in aggregate to the Service Credit Cap;

(b) in respect of all other Losses incurred by the Customer under or in connection with this Contract as a result of Defaults by the Supplier shall in no event exceed:

(i) in relation to any Defaults occurring from the Contract Commencement Date to the end of the first Contract Year, the higher of ten million pounds (£10,000,000) or a sum equal to one hundred and fifty per cent (150%) of the Estimated Year 1 Contract Charges;

(ii) in relation to any Defaults occurring in each subsequent Contract Year that commences during the remainder of the Contract Period, the higher of ten million pounds (£10,000,000) in each such Contract Year or a sum equal to one hundred and fifty percent (150%) of the Contract Charges payable to the Supplier under this Contract in the previous Contract Year; and

(iii) in relation to any Defaults occurring in each Contract Year that commences after the end of the Contract Period, the higher of ten million pounds (£10,000,000) in each such Contract Year or a sum equal to one hundred and fifty percent (150%) of the Contract Charges payable to the Supplier under this Contract in the last Contract Year commencing during the Contract Period;

unless the Customer has specified different financial limits in the Contract Order Form.

36.2.2 Subject to Clauses 36.1 (Unlimited Liability) and 36.2 (Financial Limits) and without prejudice to its obligation to pay the undisputed Contract Charges as and when they fall due for payment, the Customer's total aggregate liability in respect of all Losses as a result of Customer Causes shall be limited to:

(a) in relation to any Customer Causes occurring from the Contract Commencement Date to the end of the first Contract Year, a sum equal to the Estimated Year 1 Contract Charges;

(b) in relation to any Customer Causes occurring in each subsequent Contract Year that commences during the remainder of the Contract Period, a sum equal to the Contract Charges payable to the Supplier under this Contract in the previous Contract Year; and

(c) in relation to any Customer Causes occurring in each Contract Year that commences after the end of the Contract Period, a sum equal to the Contract Charges payable to the Supplier under this Contract in the last Contract Year commencing during the Contract Period.

36.3 Non-recoverable Losses

36.3.1 Subject to Clause 36.1 (Unlimited Liability) neither Party shall be liable to the other Party for any:

(a) indirect, special or consequential Loss;

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

36.4 Recoverable Losses

36.4.1 Subject to Clause 36.2 (Financial Limits), and notwithstanding Clause 36.3 (Non-recoverable Losses), the Supplier acknowledges that the Customer may, amongst other things, recover from the Supplier the following Losses incurred by the Customer 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 Customer, including costs relating to time spent by or on behalf of the Customer in dealing with the consequences of the Default;

(b) any wasted expenditure or charges;

(c) the additional cost of procuring Replacement Goods and/or Services for the remainder of the Contract Period and/or replacement Deliverables, which shall include any incremental

costs associated with such Replacement Goods and/or Services and/or replacement Deliverables above those which would have been payable under this Contract ;

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

(e) any fine, penalty or costs incurred by the Customer pursuant to Law.

36.5 Miscellaneous

36.5.1 Each Party shall use all reasonable endeavours to mitigate any loss or damage suffered arising out of or in connection with this Contract.

36.5.2 Any Deductions shall not be taken into consideration when calculating the Suppliers liability under Clause 36.2 (Financial Limits).

36.5.3 Subject to any rights of the Customer under this Contract (including in respect of an IPR Claim), any claims by a third party where an indemnity is sought by that third party from a Party to this Contract shall be dealt with in accordance with the provisions of DPS Schedule 20 (Conduct of Claims).

## 37. INSURANCE

37.1 This Clause 37 will only apply where specified in the Contract Order Form or elsewhere in this Contract.

37.2 Notwithstanding any benefit to the Customer of the policy or policies of insurance referred to in Clause 31 (Insurance) of the DPS Agreement , the Supplier shall effect and maintain such further policy or policies of insurance or extensions to such existing policy or policies of insurance procured under the DPS Agreement in respect of all risks which may be incurred by the Supplier arising out of its performance of its obligations under this Contract .

37.3 Without limitation to the generality of Clause 37.2 the Supplier shall ensure that it maintains the policy or policies of insurance as stipulated in the Contract Order Form.

37.4 The Supplier shall effect and maintain the policy or policies of insurance referred to in Clause 37 for six (6) years after the Contract Expiry Date.

37.5 The Supplier shall give the Customer, on request, copies of all insurance policies referred to in Clause 37 or a broker's verification of insurance to demonstrate that the appropriate cover is in place, together with receipts or other evidence of payment of the latest premiums due under those policies.

37.6 If, for whatever reason, the Supplier fails to give effect to and maintain the insurance policies required under Clause 37 the Customer may make alternative arrangements to protect its interests and may recover the premium and other costs of such arrangements as a debt due from the Supplier.

37.7 The provisions of any insurance or the amount of cover shall not relieve the Supplier of any liability under this Contract. It shall be the responsibility of the Supplier to determine the amount of insurance cover that will be adequate to enable the Supplier to satisfy any liability in relation to the performance of its obligations under this Contract.

37.8 The Supplier shall ensure that nothing is done which would entitle the relevant insurer to cancel, rescind or suspend any insurance or cover, or to treat any

insurance, cover or claim as voided in whole or part. The Supplier shall use all reasonable endeavours to notify the Customer (subject to third party confidentiality obligations) as soon as practicable when it becomes aware of any relevant fact, circumstance or matter which has caused, or is reasonably likely to provide grounds to, the relevant insurer to give notice to cancel, rescind, suspend or void any insurance, or any cover or claim under any insurance in whole or in part.

## J. REMEDIES AND RELIEF

## 38. CUSTOMER REMEDIES FOR DEFAULT

38.1 Remedies

38.1.1 Without prejudice to any other right or remedy of the Customer howsoever arising (including under Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring)) and subject to the exclusive financial remedy provisions in Clauses 13.6 (Service Levels and Service Credits) and 6.4.1(b) (Delay Payments), if the Supplier commits any Default of this Contract then the Customer may (whether or not any part of the Goods and/or Services have been Delivered) do any of the following:

(a) at the Customer's option, give the Supplier the opportunity (at the Suppliers expense) to remedy the Default together with any damage resulting from such Default (where such Default is capable of remedy) or to supply Replacement Goods and/or Services and carry out any other necessary work to ensure that the terms of this Contract are fulfilled, in accordance with the Customer's instructions;

(b) carry out, at the Suppliers expense, any work necessary to make the provision of the Goods and/or Services comply with this Contract ;

(c) if the Default is 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):

(i) instruct the Supplier to comply with the Rectification Plan Process;

(ii) suspend this Contract (whereupon the relevant provisions of Clause 44 (Partial Termination, Suspension and Partial Suspension) shall apply) and step-in to itself supply or procure a third party to supply (in whole or in part) the Goods and/or Services;

(iii) without terminating or suspending the whole of this Contract , terminate or suspend this Contract in respect of part of the provision of the Goods and/or Services only (whereupon the relevant provisions of Clause 44 (Partial Termination, Suspension and Partial Suspension) shall apply) and step-in to itself supply or procure a third party

to supply (in whole or in part) such part of the Good and/or Services;

38.1.2 Where the Customer exercises any of its step-in rights under Clauses 38.1.1(c)(ii) or 38.1.1(c)(iii), the Customer shall have the right to charge the Supplier for and the Supplier shall on demand pay any costs reasonably incurred by the Customer (including any reasonable administration costs) in respect of the supply of any part of the Goods and/or Services by the Customer or a third party and provided that the Customer uses its reasonable endeavours to mitigate any additional expenditure in obtaining Replacement Goods and/or Replacement Goods and/or Services.

38.2 Rectification Plan Process

38.2.1 Where the Customer has instructed the Supplier to comply with the Rectification Plan Process pursuant to Clause 38.1.1(c)(i):

(a) the Supplier shall submit a draft Rectification Plan to the Customer for it to review as soon as possible and in any event within 10 (ten) Working Days (or such other period as may be agreed between the Parties) from the date of Customer's instructions. The Supplier shall submit a draft Rectification Plan even if the Supplier disputes that it is responsible for the Default giving rise to the Customer's request for a draft Rectification Plan.

(b) the draft Rectification Plan shall set out:

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

(ii) the actual or anticipated effect of the Default; and

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

38.2.2 The Supplier shall promptly provide to the Customer any further documentation that the Customer requires to assess the Suppliers 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 5 of Contract Schedule 11 (Dispute Resolution Procedure).

38.2.3 The Customer 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 Default; and/or

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

38.2.4 The Customer shall notify the Supplier whether it consents to the draft Rectification Plan as soon as reasonably practicable. If the Customer rejects the draft Rectification Plan, the Customer 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 Customer for review within five (5) Working Days (or such other period as agreed between the Parties) of the Customer's notice rejecting the first draft.

38.2.5 If the Customer consents to the Rectification Plan, the Supplier shall immediately start work on the actions set out in the Rectification Plan.

## 39. SUPPLIER RELIEF DUE TO CUSTOMER CAUSE

39.1 If the Supplier has failed to:

39.1.1 Achieve a Milestone by its Milestone Date;

39.1.2 provide the Goods and/or Services in accordance with the Service Levels;

39.1.3 comply with its obligations under this Contract ,

(each a "Supplier Non-Performance"),

and can demonstrate that the Supplier Non-Performance would not have occurred but for a Customer Cause, then (subject to the Supplier fulfilling its obligations in Clause 17 (Supplier Notification of Customer Cause)):

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

(b) the Customer shall not be entitled to exercise any rights that may arise as a result of that Supplier Non-Performance to terminate this Contract pursuant to Clause 41 (Customer Termination Rights) except Clause 41.7 (Termination Without Cause);

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

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

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

(iii) if failure to Achieve a Milestone attracts a Delay Payment, the Supplier shall have no liability to pay any such Delay Payment associated with the Milestone to the extent that the Supplier can demonstrate that such failure was caused by the Customer Cause; and/or

(d) where the Supplier Non-Performance constitutes a Service Level Failure:

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

(ii) the Customer shall not be entitled to any Compensation for Critical Service Level Failure pursuant to Clause 14 (Critical Service Level Failure); and

(iii) the Supplier shall be entitled to invoice for the Contract Charges for the provision of the relevant Goods and/or Services affected by the Customer Cause,

in each case, to the extent that the Supplier can demonstrate that the Service Level Failure was caused by the Customer Cause.

39.2 In order to claim any of the rights and/or relief referred to in Clause 39.1, the Supplier shall:

39.2.1 comply with its obligations under Clause 17 (Notification of Customer Cause); and

39.2.2 within ten (10) Working Days of becoming aware that a Customer Cause has caused, or is likely to cause, a Supplier Non-Performance, give the Customer notice (a "**Relief Notice**") setting out details of:

(a) the Supplier Non-Performance;

(b) the Customer Cause and its effect on the Suppliers ability to meet its obligations under this Contract ; and

(c) the relief claimed by the Supplier.

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

39.4 Without prejudice to Clauses 8.6 (Continuing obligation to provide the Services) and 9.11 (Continuing obligation to provide the Goods), if a Dispute arises as to:

39.4.1 whether a Supplier Non-Performance would not have occurred but for a Customer Cause; and/or

39.4.2 the nature and/or extent of the relief 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.

39.5 Any Variation that is required to the Implementation Plan or to the Contract Charges pursuant to Clause 39 shall be implemented in accordance with the Variation Procedure.

## 40. FORCE MAJEURE

40.1 Subject to the remainder of Clause 40 (and, in relation to the Supplier, subject to its compliance with any obligations in Clause 15 (Business Continuity and Disaster Recovery)), a Party may claim relief under Clause 40 from liability for failure to meet its obligations under this Contract 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 Contract 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.

40.2 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.

40.3 If the Supplier is the Affected Party, it shall not be entitled to claim relief under Clause 40 to the extent that consequences of the relevant Force Majeure Event:

40.3.1 are capable of being mitigated by any of the provision of any Goods and/or Services, including any BCDR Goods and/or Services, but the Supplier has failed to do so; and/or

40.3.2 should have been foreseen and prevented or avoided by a prudent provider of goods and/or services similar to the Goods and/or Services, operating to the standards required by this Contract .

40.4 Subject to Clause 40.5, 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 Goods and/or Services affected by the Force Majeure Event.

40.5 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.

40.6 Where, as a result of a Force Majeure Event:

40.6.1 an Affected Party fails to perform its obligations in accordance with this Contract , then during the continuance of the Force Majeure Event:

(a) the other Party shall not be entitled to exercise any rights to terminate this Contract in whole or in part as a result of such failure unless the provision of the Goods and/or Services is materially impacted by a Force Majeure Event which endures for a continuous period of more than ninety (90) days; and

(b) the Supplier shall not be liable for any Default and the Customer shall not be liable for any Customer Cause arising as a result of such failure;

40.6.2 the Supplier fails to perform its obligations in accordance with this Contract :

(a) the Customer shall not be entitled:

(i) during the continuance of the Force Majeure Event to exercise its step-in rights under Clause 38.1.1(b) and 38.1.1(c) (Customer Remedies for Default) as a result of such failure;

(ii) to receive Delay Payments pursuant to Clause 6.4 (Delay Payments) to the extent that the Achievement of any Milestone is affected by the Force Majeure Event; and

(iii) to receive Service Credits or withhold and retain any of the Contract Charges as Compensation for Critical Service Level Failure pursuant to Clause 14 (Critical Service Level Failure) to the extent that a Service Level Failure or Critical Service Level Failure has been caused by the Force Majeure Event; and

(b) the Supplier shall be entitled to receive payment of the Contract Charges (or a proportional payment of them) only to the extent that the Goods and/or Services (or part of the Goods and/or Services) continue to be provided in accordance with the terms of this Contract during the occurrence of the Force Majeure Event.

40.7 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 Contract.

40.8 Relief from liability for the Affected Party under Clause 40 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 Contract and shall not be dependent on the serving of notice under Clause 40.7.

## K. TERMINATION AND EXIT MANAGEMENT

## 41. CUSTOMER TERMINATION RIGHTS

41.1 Termination in Relation to Contract Guarantee

41.1.1 Where this Contract is conditional upon the Supplier procuring a Contract Guarantee pursuant to Clause **Error! Reference source not found.** (Contract Guarantee), the Customer may terminate this Contract by issuing a Termination Notice to the Supplier where:

(a) the Contract Guarantor withdraws the Contract Guarantee for any reason whatsoever;

(b) the Contract Guarantor is in breach or anticipatory breach of the Contract Guarantee;

(c) an Insolvency Event occurs in respect of the Contract Guarantor; or

(d) the Contract Guarantee becomes invalid or unenforceable for any reason whatsoever,

and in each case the Contract Guarantee (as applicable) is not replaced by an alternative guarantee agreement acceptable to the Customer; or

(e) the Supplier fails to provide the documentation required by Clause 4.1 by the date so specified by the Customer.

41.2 Termination on Material Default

41.2.1 The Customer may terminate this Contract for material Default by issuing a Termination Notice to the Supplier where:

(a) the Supplier commits a Critical Service Level Failure;

(b) the representation and warranty given by the Supplier pursuant to Clause 3.2.5 (Representations and Warranties) is materially untrue or misleading, and the Supplier fails to provide details of proposed mitigating factors which in the reasonable opinion of the Customer are acceptable;

(c) as a result of any Defaults, the Customer incurs Losses in any Contract Year which exceed 80% (unless stated differently in the Contract Order Form) of the value of the Suppliers aggregate annual liability limit for that Contract Year as set out in Clauses 36.2.1(a) and 36.2.1(b) (Liability);

(d) the Customer expressly reserves the right to terminate this Contract for material Default, including pursuant to any of the following Clauses: 6.2.3 (Implementation Plan), 8.4.2 (Services), 9.4.2 and 9.6.1 (Goods), 10.3 (Installation Works), 14.1 (Critical Service Level Failure), 16.4 (Disruption), 21.5 (Records, Audit Access and Open Book Data), 24 (Promoting Tax Compliance), 34.3.9 (Confidentiality), 50.6.2 (Prevention of Fraud and Bribery), Paragraph 1.2.4 of the Annex to Part A and Paragraph 1.2.4 of the Annex to Part B of Contract Schedule 10 (Staff Transfer);

(e) the Supplier commits any material Default of this Contract which is not, in the reasonable opinion of the Customer, capable of remedy; and/or

(f) the Supplier commits a Default, including a material Default, which in the opinion of the Customer is remediable but has not remedied such Default to the satisfaction of the Customer in accordance with the Rectification Plan Process.

41.2.2 For the purpose of Clause 41.2.1, 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.

41.3 Termination in Relation to Financial Standing

41.3.1 The Customer may terminate this Contract by issuing a Termination Notice to the Supplier where in the reasonable opinion of the Customer there is a material detrimental change in the financial standing and/or the credit rating of the Supplier which:

(a) adversely impacts on the Suppliers ability to supply the Goods and/or Services under this Contract ; or

(b) could reasonably be expected to have an adverse impact on the Suppliers ability to supply the Goods and/or Services under this Contract .

41.4 Termination on Insolvency

41.4.1 The Customer may terminate this Contract by issuing a Termination Notice to the Supplier where an Insolvency Event affecting the Supplier occurs.

41.5 Termination on Change of Control

41.5.1 The Supplier shall notify the Customer immediately in writing and as soon as the Supplier is aware (or ought reasonably to be aware) that it is anticipating, undergoing, undergoes or has undergone a Change of Control and provided such notification does not contravene any Law.

41.5.2 The Supplier shall ensure that any notification made pursuant to Clause 41.5.1 shall set out full details of the Change of Control including the circumstances suggesting and/or explaining the Change of Control.

41.5.3 The Customer may terminate this Contract by issuing a Termination Notice under Clause 41.5 to the Supplier within six (6) Months of:

(a) being notified in writing that a Change of Control is anticipated or in contemplation or has occurred; or

(b) where no notification has been made, the date that the Customer becomes aware that a Change of Control is anticipated or is in contemplation or has occurred,

but shall not be permitted to terminate where an Approval was granted prior to the Change of Control.

41.6 Termination for breach of Regulations

41.6.1 The Customer may terminate this Contract by issuing a Termination Notice to the Supplier on the occurrence of any of the statutory provisos contained in Regulation 73 (1) (a) to (c).

41.7 Termination Without Cause

41.7.1 The Customer shall have the right to terminate this Contract at any time by issuing a Termination Notice to the Supplier giving at least thirty (30) Working Days written notice (unless stated differently in the Contract Order Form).

41.8 Termination in Relation to DPS Agreement

41.8.1 The Customer may terminate this Contract by issuing a Termination Notice to the Supplier if the DPS Agreement is terminated for any reason whatsoever.

41.9 NOT USED

41.10 Termination in Relation to Variation

41.10.1 The Customer may terminate this Contract by issuing a Termination Notice to the Supplier for failure of the Parties to agree or the Supplier to implement a Variation in accordance with the Variation Procedure.

## 42. SUPPLIER TERMINATION RIGHTS

42.1 Termination on Customer Cause for Failure to Pay

42.1.1 The Supplier may, by issuing a Termination Notice to the Customer, terminate this Contract if the Customer fails to pay an undisputed sum due to the Supplier under this Contract which in aggregate exceeds an amount equal to one month's average Contract Charges (unless a different amount has been specified in the Contract Order Form), for the purposes of this Clause 42.1.1 (the **"Undisputed Sums Limit"**), and the said undisputed sum due remains outstanding for forty (40) Working Days (the **"Undisputed Sums Time Period"**) after the

receipt by the Customer of a written notice of non-payment from the Supplier specifying:

(a) the Customer's failure to pay; and

(b) the correct overdue and undisputed sum; and

(c) the reasons why the undisputed sum is due; and

(d) the requirement on the Customer to remedy the failure to pay; and

this Contract shall then terminate on the date specified in the Termination Notice (which shall not be less than twenty (20) Working Days from the date of the issue of the Termination Notice), save that such right of termination shall not apply where the failure to pay is due to the Customer exercising its rights under this Contract including Clause 23.3 (Retention and Set off).

42.1.2 The Supplier shall not suspend the supply of the Goods and/or Services for failure of the Customer to pay undisputed sums of money (whether in whole or in part).

## 43. TERMINATION BY EITHER PARTY

43.1 Termination for continuing Force Majeure Event

43.1.1 Either Party may, by issuing a Termination Notice to the other Party, terminate this Contract in accordance with Clause 40.6.1(a) (Force Majeure).

## 44. PARTIAL TERMINATION, SUSPENSION AND PARTIAL SUSPENSION

44.1 Where the Customer has the right to terminate this Contract , the Customer shall be entitled to terminate or suspend all or part of this Contract provided always that, if the Customer elects to terminate or suspend this Contract in part, the parts of this Contract not terminated or suspended can, in the Customer's reasonable opinion, operate effectively to deliver the intended purpose of the surviving parts of this Contract .

44.2 Any suspension of this Contract under Clause 44.1 shall be for such period as the Customer may specify and without prejudice to any right of termination which has already accrued, or subsequently accrues, to the Customer.

44.3 The Parties shall seek to agree the effect of any Variation necessitated by a partial termination, suspension or partial suspension in accordance with the Variation Procedure, including the effect that the partial termination, suspension or partial suspension may have on the provision of any other Goods and/or Services and the Contract Charges, provided that the Supplier shall not be entitled to:

44.3.1 an increase in the Contract Charges in respect of the provision of the Goods and/or Services that have not been terminated if the partial termination arises due to the exercise of any of the Customer's termination rights under Clause 41 (Customer Termination Rights) except Clause 41.7 (Termination Without Cause); and

44.3.2 reject the Variation.

## 45. CONSEQUENCES OF EXPIRY OR TERMINATION

45.1 Consequences of termination under Clauses 41.1 (Termination in Relation to Guarantee), 41.2 (Termination on Material Default), 41.3 (Termination in Relation to Financial Standing), 41.8 (Termination in Relation to DPS Agreement ), 41.9 (Termination in Relation to Benchmarking) and 41.10 (Termination in Relation to Variation)

45.1.1 Where the Customer:

(a) terminates (in whole or in part) this Contract under any of the Clauses referred to in Clause 45.1; and

(b) then makes other arrangements for the supply of the Goods and/or Services,

the Customer may recover from the Supplier the cost reasonably incurred of making those other arrangements and any additional expenditure incurred by the Customer throughout the remainder of the Contract Period provided that Customer shall take all reasonable steps to mitigate such additional expenditure. No further payments shall be payable by the Customer to the Supplier until the Customer has established the final cost of making those other arrangements.

45.2 Consequences of termination under Clauses 41.7 (Termination without Cause) and 42.1 (Termination on Customer Cause for Failure to Pay)

45.2.1 Where:

(a) the Customer terminates (in whole or in part) this Contract under Clause 41.7 (Termination without Cause); or

(b) the Supplier terminates this Contract pursuant to Clause 42.1 (Termination on Customer Cause for Failure to Pay),

the Customer shall indemnify the Supplier against any reasonable and proven Losses which would otherwise represent an unavoidable loss by the Supplier by reason of the termination of this Contract , provided that the Supplier takes all reasonable steps to mitigate such Losses. The Supplier shall submit a fully itemised and costed list of such Losses, with supporting evidence including such further evidence as the Customer may require, reasonably and actually incurred by the Supplier as a result of termination under Clause 41.7 (Termination without Cause).

45.2.2 The Customer shall not be liable under Clause 45.2.1 to pay any sum which:

(a) was claimable under insurance held by the Supplier, and the Supplier has failed to make a claim on its insurance, or has failed to make a claim in accordance with the procedural requirements of the insurance policy; or

(b) when added to any sums paid or due to the Supplier under this Contract , exceeds the total sum that would have been payable to the Supplier if this Contract had not been terminated.

45.3 Consequences of termination under Clause 43.1 (Termination for Continuing Force Majeure Event)

45.3.1 The costs of termination incurred by the Parties shall lie where they fall if either Party terminates or partially terminates this Contract for a

continuing Force Majeure Event pursuant to Clause 43.1 (Termination for Continuing Force Majeure Event).

45.4 Consequences of Termination for Any Reason

45.4.1 Save as otherwise expressly provided in this Contract :

(a) termination or expiry of this Contract shall be without prejudice to any rights, remedies or obligations accrued under this Contract prior to termination or expiration and nothing in this Contract shall prejudice the right of either Party to recover any amount outstanding at the time of such termination or expiry; and

(b) termination of this Contract shall not affect the continuing rights, remedies or obligations of the Customer or the Supplier under Clauses 21 (Records, Audit Access & Open Book Data), 33 (Intellectual Property Rights), 34.3 (Confidentiality), 34.5 (Freedom of Information) 34.6 (Protection of Personal Data), 36 (Liability), 45 (Consequences of Expiry or Termination), 51 (Severance), 53 (Entire Agreement), 54 (Third Party Rights) 56 (Dispute Resolution) and 57 (Governing Law and Jurisdiction), and the provisions of Contract Schedule 1 (Definitions), Contract Schedule 3 (Contract Charges, Payment and Invoicing), Contract Schedule 9 (Exit Management), Contract Schedule 10 (Staff Transfer), Contract Schedule 11 (Dispute Resolution Procedure) and, without limitation to the foregoing, any other provision of this Contract which expressly or by implication is to be performed or observed notwithstanding termination or expiry shall survive the Contract Expiry Date.

45.5 Exit management

45.5.1 The Parties shall comply with the exit management provisions set out in Contract Schedule 9 (Exit Management).

## L. MISCELLANEOUS AND GOVERNING LAW

## 46. COMPLIANCE

46.1 Health and Safety

46.1.1 The Supplier shall perform its obligations under this Contract (including those in relation to the Goods and/or Services) in accordance with:

(a) all applicable Law regarding health and safety; and

(b) the Customer's health and safety policy (as provided to the Supplier from time to time) whilst at the Customer Premises.

46.1.2 Each Party shall promptly notify the other of as soon as possible of any health and safety incidents or material health and safety hazards at the Customer Premises of which it becomes aware and which relate to or arise in connection with the performance of this Contract

46.1.3 While on the Customer Premises, the Supplier shall comply with any health and safety measures implemented by the Customer in respect of Supplier Personnel and other persons working there and any

instructions from the Customer on any necessary associated safety measures.

46.2 Equality and Diversity

46.2.1 The Supplier shall:

(a) perform its obligations under this Contract (including those in relation to provision of the Goods and/or Services) in accordance with:

(i) all applicable equality Law (whether in relation to race, sex, gender reassignment, religion or belief, disability, sexual orientation, pregnancy, maternity, age or otherwise); and

(ii) any other requirements and instructions which the Customer reasonably imposes in connection with any equality obligations imposed on the Customer at any time under applicable equality Law;

(b) take all necessary steps, and inform the Customer 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).

46.3 Official Secrets Act and Finance Act

46.3.1 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.

46.4 Environmental Requirements

46.4.1 The Supplier shall, when working on the Sites, perform its obligations under this Contract in accordance with the Environmental Policy of the Customer.

46.4.2 The Customer shall provide a copy of its written Environmental Policy (if any) to the Supplier upon the Suppliers written request.

## 47. ASSIGNMENT AND NOVATION

47.1 The Supplier shall not assign, novate, Sub-Contract or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Contract or any part of it without Approval.

47.2 The Customer may assign, novate or otherwise dispose of any or all of its rights, liabilities and obligations under this Contract or any part thereof to:

47.2.1 any other Contracting Authority; or

47.2.2 any other body established by the Crown or under statute in order substantially to perform any of the functions that had previously been performed by the Customer; or

47.2.3 any private sector body which substantially performs the functions of the Customer,

and the Supplier shall, at the Customer's request, enter into a novation agreement in such form as the Customer shall reasonably specify in order to enable the Customer to exercise its rights pursuant to this Clause 47.2.

47.3 A change in the legal status of the Customer shall not, subject to Clause 47.4 affect the validity of this Contract and this Contract shall be binding on any successor body to the Customer.

47.4 If the Customer assigns, novates or otherwise disposes of any of its rights, obligations or liabilities under this Contract to a private sector body in accordance with Clause 47.2.3 (the "**Transferee**" in the rest of this Clause 47.4) the right of termination of the Customer in Clause 41.4 (Termination on Insolvency) shall be available to the Supplier in the event of insolvency of the Transferee (as if the references to Supplier in Clause 41.4 (Termination on Insolvency) and to Supplier or DPS Guarantor or Contract Guarantor in the definition of Insolvency Event were references to the Transferee).

## 48. WAIVER AND CUMULATIVE REMEDIES

48.1 The rights and remedies under this Contract may be waived only by notice in accordance with Clause 55 (Notices) 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 Contract or by Law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of that right or remedy.

48.2 Unless otherwise provided in this Contract, rights and remedies under this Contract are cumulative and do not exclude any rights or remedies provided by Law, in equity or otherwise.

## 49. RELATIONSHIP OF THE PARTIES

49.1 Except as expressly provided otherwise in this Contract, nothing in this Contract, nor any actions taken by the Parties pursuant to this Contract , 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.

## 50. PREVENTION OF FRAUD AND BRIBERY

50.1 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 Contract Commencement Date:

50.1.1 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

50.1.2 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.

50.2 The Supplier shall not during the Contract Period:

50.2.1 commit a Prohibited Act; and/or

50.2.2 do or suffer anything to be done which would cause the Customer or any of the Customer'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.

50.3 The Supplier shall during the Contract Period:

50.3.1 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;

50.3.2 keep appropriate records of its compliance with its obligations under Clause 50.3.1 and make such records available to the Customer on request;

50.3.3 if so required by the Customer, within twenty (20) Working Days of the Contract Commencement Date, and annually thereafter, certify to the Customer in writing that the Supplier and all persons associated with it or its Sub-Contractors or other persons who are supplying the Goods and/or Services in connection with this Contract are compliant with the Relevant Requirements. The Supplier shall provide such supporting evidence of compliance as the Customer may reasonably request; and

50.3.4 have, maintain and where appropriate enforce an anti-bribery policy (which shall be disclosed to the Customer on request) to prevent it and any Supplier Personnel or any person acting on the Suppliers behalf from committing a Prohibited Act.

50.4 The Supplier shall immediately notify the Customer in writing if it becomes aware of any breach of Clause 50.1, or has reason to believe that it has or any of the Supplier Personnel have:

50.4.1 been subject to an investigation or prosecution which relates to an alleged Prohibited Act;

50.4.2 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

50.4.3 received a request or demand for any undue financial or other advantage of any kind in connection with the performance of this Contract or otherwise suspects that any person or Party directly or indirectly connected with this Contract has committed or attempted to commit a Prohibited Act.

50.5 If the Supplier makes a notification to the Customer pursuant to Clause 50.4, the Supplier shall respond promptly to the Customer's enquiries, co-operate with any investigation, and allow the Customer to audit any books, records and/or any other relevant documentation in accordance with Clause 21 (Records, Audit Access and Open Book Data).

50.6 If the Supplier breaches Clause 50.3, the Customer may by notice:

50.6.1 require the Supplier to remove from performance of this Contract any Supplier Personnel whose acts or omissions have caused the Suppliers breach; or

50.6.2 immediately terminate this Contract for material Default.

50.7 Any notice served by the Customer under Clause 50.4 shall specify the nature of the Prohibited Act, the identity of the Party who the Customer believes has committed the Prohibited Act and the action that the Customer has elected to take (including, where relevant, the date on which this Contract shall terminate).

## 51. SEVERANCE

51.1 If any provision of this Contract (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 Contract are not void or unenforceable be deemed to be deleted and the validity and/or enforceability of the remaining provisions of this Contract shall not be affected.

51.2 In the event that any deemed deletion under Clause 51.1 is so fundamental as to prevent the accomplishment of the purpose of this Contract or materially alters the balance of risks and rewards in this Contract , either Party may give notice to the other Party requiring the Parties to commence good faith negotiations to amend this Contract so that, as amended, it is valid and enforceable, preserves the balance of risks and rewards in this Contract and, to the extent that is reasonably practicable, achieves the Parties' original commercial intention.

51.3 If the Parties are unable to resolve the Dispute arising under Clause 51 within twenty (20) Working Days of the date of the notice given pursuant to Clause 51.2, this Contract shall automatically terminate with immediate effect. The costs of termination incurred by the Parties shall lie where they fall if this Contract is terminated pursuant to Clause 51.

## 52. FURTHER ASSURANCES

52.1 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 necessary to give effect to the meaning of this Contract.

## 53. ENTIRE AGREEMENT

53.1 This Contract and the documents referred to in it constitute the entire agreement between the Parties in respect of the matter and supersede and extinguish all prior negotiations, course of dealings or agreements made between the Parties in relation to its subject matter, whether written or oral.

53.2 Neither Party has been given, nor entered into this Contract in reliance on, any warranty, statement, promise or representation other than those expressly set out in this Contract .

53.3 Nothing in Clause 53 shall exclude any liability in respect of misrepresentations made fraudulently.

## 54. THIRD PARTY RIGHTS

54.1 The provisions of paragraphs 2.1 and 2.6 of Part A, paragraphs 2.1, 2.6, 3.1 and 3.3 of Part B, paragraphs 2.1 and 2.3 of Part C and paragraphs and 1.4, 2.3 and 2.8 of Part D of Contract Schedule 10 (Staff Transfer) and the provisions of paragraph 9.9 of Contract Schedule 9 (Exit Management) (together "**Third Party Provisions**") confer benefits on persons named 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.

54.2 Subject to Clause 54.1, a person who is not a Party to this Contract has no right under the CTRPA to enforce any term of this Contract but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

54.3 No Third Party Beneficiary may enforce, or take any step to enforce, any Third Party Provision without the prior written consent of the Customer, which may, if given, be given on and subject to such terms as the Customer may determine.

54.4 Any amendments or modifications to this Contract may be made, and any rights created under Clause 54.1 may be altered or extinguished, by the Parties without the consent of any Third Party Beneficiary.

## 55. NOTICES

55.1 Except as otherwise expressly provided within this Contract, any notices sent under this Contract must be in writing. For the purpose of Clause 55, an e-mail is accepted as being "in writing".

55.2 Subject to Clause 55.3, the following table sets out the method by which notices may be served under this Contract and the respective deemed time and proof of service:

| Manner of delivery | Deemed time of delivery | Proof of Service |
|---|---|---|
| Email (Subject to Clauses 55.3 and 55.4) | 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 |
| 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 |

55.3 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 Royal Mail Signed For™ 1st Class or other prepaid in the manner set out in the table in Clause 55.2:

55.3.1 any Termination Notice (Clause 41 (Customer Termination Rights)),

55.3.2 any notice in respect of:

(a) partial termination, suspension or partial suspension (Clause 44 (Partial Termination, Suspension and Partial Suspension)),

(b) waiver (Clause 48 (Waiver and Cumulative Remedies))

(c) Default or Customer Cause; and

55.3.3 any Dispute Notice.

55.4 Failure to send any original notice by personal delivery or recorded delivery in accordance with Clause 55.3 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 55.2) or, if earlier, the time of response or acknowledgement by the other Party to the email attaching the notice.

55.5 Clause 55 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 the Dispute Resolution Procedure).

55.6 For the purposes of Clause 55, the address and email address of each Party shall be as specified in the Contract Order Form.

## 56. DISPUTE RESOLUTION

56.1 The Parties shall resolve Disputes arising out of or in connection with this Contract in accordance with the Dispute Resolution Procedure.

56.2 The Supplier shall continue to provide the Goods and/or Services in accordance with the terms of this Contract until a Dispute has been resolved.

## 57. GOVERNING LAW AND JURISDICTION

57.1 This Contract 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.

57.2 Subject to Clause 56 (Dispute Resolution) and Contract Schedule 12 (Dispute Resolution Procedure) (including the Customer's right to refer the Dispute to arbitration), the Parties agree that the courts of England and Wales (unless stated differently in the Contract Order Form) shall have exclusive jurisdiction to settle any Dispute or claim (whether contractual or non-contractual) that arises out of or in connection with this Contract or its subject matter or formation.

## CONTRACT SCHEDULE 1: DEFINITIONS

1. In accordance with Clause 1 (Definitions and Interpretation) of this Contract including its recitals the following expressions shall have the following meanings:

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| **"Achieve"** | means in respect of a Test, to successfully pass such Test without any Test Issues in accordance with the Test Strategy Plan and in respect of a Milestone, the issue of a Satisfaction Certificate in respect of that Milestone and "**Achieved**", "**Achieving**" and "**Achievement**" shall be construed accordingly; |
| **"Acquired Rights Directive"** | means 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; |
| **"Additional Clauses"** | means the additional Clauses in Contract Schedule 14 (Alternative and/or Additional Clauses) and any other additional Clauses set out in the Contract Order Form or elsewhere in this Contract ; |
| **"Affected Party"** | means the party seeking to claim relief in respect of a Force Majeure; |
| **"Affiliates"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Alternative Clauses"** | means the alternative Clauses in Contract Schedule 14 (Alternative and/or Additional Clauses) and any other alternative Clauses set out in the Contract Order Form or elsewhere in this Contract ; |
| **"Approval"** | means the prior written consent of the Customer and "**Approve**" and "**Approved**" shall be construed accordingly; |
| **"Approved Sub-Licensee"** | means any of the following:<br>a) a Central Government Body;<br>b) any third party providing goods and/or services to a Central Government Body; and/or<br>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 Customer; |
| **"Auditor"** | means:<br>a) the Customer's internal and external auditors;<br>b) the Customer's statutory or regulatory auditors;<br>c) the Comptroller and Auditor General, their staff and/or any appointed representatives of the National Audit Office;<br>d) HM Treasury or the Cabinet Office; |

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| | e) any party formally appointed by the Customer to carry out audit or similar review functions; and<br>f) successors or assigns of any of the above; |
| **"Authority"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"BACS"** | means the Bankers' Automated Clearing Services, which is a scheme for the electronic processing of financial transactions within the United Kingdom; |
| **"BCDR Goods and/or Services"** | means the Business Continuity Goods and/or Services and Disaster Recovery Goods and/or Services; |
| **"BCDR Plan"** | means the plan prepared pursuant to paragraph 2 of Contract Schedule 8 (Business Continuity and Disaster Recovery), as may be amended from time to time; |
| **"Business Continuity Goods and/or Services"** | has the meaning given to it in paragraph 4.2.2 of Contract Schedule 8 (Business Continuity and Disaster Recovery); |
| **"Contract Commencement Date"** | means the date of commencement of this Contract set out in the Contract Order Form; |
| **"Contract "** | means this contract between the Customer and the Supplier (entered into pursuant to the provisions of the DPS Agreement ), which consists of the terms set out in the Contract Order Form and the Contract Terms; |
| **"Contract Charges"** | means the prices (inclusive of any Milestone Payments and exclusive of any applicable VAT), payable to the Supplier by the Customer under this Contract , as set out in Annex 1 of Contract Schedule 3 (Contract Charges, Payment and Invoicing), for the full and proper performance by the Supplier of its obligations under this Contract less any Deductions; |
| **"Contract Period"** | means the term of this Contract from the Contract Commencement Date until the Contract Expiry Date; |
| **"Contract Year"** | means a consecutive period of twelve (12) Months commencing on the Contract Commencement Date or each anniversary thereof; |
| **"Contract Expiry Date"** | means:<br>(a) the end date of the Contract Initial Period or any Contract Extension Period; or<br>(b) if this Contract is terminated before the date specified in (a) above, the earlier date of termination of this Contract ; |
| **"Contract Extension Period"** | means such period or periods up to a maximum of the number of years in total as may be specified by the Customer, pursuant to Clause 5.2 and in the Contract Order Form; |

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| **"Contract Guarantee"** | means a deed of guarantee that may be required under this Contract in favour of the Customer in the form set out in DPS Schedule 13 (Guarantee) granted pursuant to Clause 7 (Contract Guarantee); |
| **"Contract Guarantor"** | means the person, in the event that a Contract Guarantee is required under this Contract , acceptable to the Customer to give a Contract Guarantee; |
| **"Contract Initial Period"** | means the initial term of this Contract from the Contract Commencement Date to the end date of the initial term stated in the Contract Order Form; |
| **"Contract Order Form"** | means the order form applicable to and set out in Part 1 of this Contract ; |
| **"Call for Competition Procedure"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Contract Schedule"** | means a schedule to this Contract; |
| **"Contract Tender"** | means the tender submitted by the Supplier in response to the Customer's Statement of Requirements following a Call for Competition Procedure and set out at Contract Schedule 15 (Contract Tender); |
| **"Contract Terms"** | means the terms applicable to and set out in Part 2 of this Contract; |
| **"Central Government Body"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Change in Law"** | means any change in Law which impacts on the supply of the Goods and/or Services and performance of the Contract which comes into force after the Contract Commencement Date; |
| **"Change of Control"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Charges"** | means the charges raised under or in connection with this Contract from time to time, which shall be calculated in a manner that is consistent with the Charging Structure; |
| **"Charging Structure"** | means the structure to be used in the establishment of the charging model which is applicable to the Contract, which is set out in Contract Schedule 3 (Contract Prices and Charging Structure); |
| **"Commercially Sensitive Information"** | means the Confidential Information listed in the Contract Order Form (if any) comprising of commercially sensitive information relating to the Supplier, its IPR or its business or which the Supplier has indicated to the Customer that, if disclosed by the Customer, would cause the Supplier significant commercial disadvantage or material financial loss; |
| **"Comparable Supply"** | means the supply of Goods and/or Services to another customer of the Supplier that are the same or similar to the Goods and/or Services; |

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| **“Compensation for Critical Service Level Failure”** | has the meaning given to it in Clause 14.2.2 (Critical Service Level Failure); |
| **"Confidential Information"** | means the Customer's Confidential Information and/or the Suppliers Confidential Information, as the context specifies; |
| **"Contracting Authority"** | means the Authority, the Customer and any other bodies listed in the OJEU Notice; |
| **"Control"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Conviction"** | means other than for minor road traffic offences, any previous or pending prosecutions, convictions, cautions and binding over orders (including any spent convictions as contemplated by section 1(1) of the Rehabilitation of Offenders Act 1974 by virtue of the exemptions specified in Part II of Schedule 1 of the Rehabilitation of Offenders Act 1974 (Exemptions) Order 1975 (SI 1975/1023) or any replacement or amendment to that Order, or being placed on a list kept pursuant to section 1 of the Protection of Children Act 1999 or being placed on a list kept pursuant to the Safeguarding Vulnerable Groups Act 2006; |
| **"Costs"** | the following costs (without double recovery) to the extent that they are reasonably and properly incurred by the Supplier in providing the Goods and/or Services:<br>a) the cost to the Supplier or the Key Sub-Contractor (as the context requires), calculated per Man Day, of engaging the Supplier Personnel, including:<br>i) base salary paid to the Supplier Personnel;<br>ii) employer’s national insurance contributions;<br>iii) pension contributions;<br>iv) car allowances;<br>v) any other contractual employment benefits;<br>vi) staff training;<br>vii) work place accommodation;<br>viii) work place IT equipment and tools reasonably necessary to provide the Goods and/or Services (but not including items included within limb (b) below); and<br>ix) reasonable recruitment costs, as agreed with the Customer;<br>b) costs incurred in respect of those Supplier 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 Supplier Assets by the Supplier to the |

Customer or (to the extent that risk and title in any Supplier Asset is not held by the Supplier) any cost actually incurred by the Supplier in respect of those Supplier 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 provision of the Goods and/or Services;

d) Reimbursable Expenses to the extent these have been specified as allowable in the Contract Order Form and are incurred in delivering any Goods and/or Services where the Contract Charges for those Goods and/or Services are to be calculated on a Fixed Price or Firm Price pricing mechanism (as set out in Contract Schedule 3 (Contract Prices and Charging Structure);

but excluding:

a) Overhead;

b) financing or similar costs;

c) maintenance and support costs to the extent that these relate to maintenance and/or support Goods and/or Services provided beyond the Contract Period whether in relation to Supplier Assets or otherwise;

d) taxation;

e) fines and penalties;

f) amounts payable under Clause 25 (Benchmarking); and

g) non-cash items (including depreciation, amortisation, impairments and movements in provisions);

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| **"Critical Service Level Failure"** | means any instance of critical service level failure specified in the Contract Order Form; |
| **"Crown"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Crown Body"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"CRTPA"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Customer"** | means the customer(s) identified in the Contract Order Form; |
| **"Customer Assets"** | means the Customer's infrastructure, data, software, materials, assets, equipment or other property owned by and/or licensed or leased to the Customer and which is or may be used in connection with the provision of the Goods and/or Services; |

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| **"Customer Background IPR"** | means:<br>a) IPRs owned by the Customer before the Contract Commencement Date, including IPRs contained in any of the Customer's Know-How, documentation, software, processes and procedures;<br>b) IPRs created by the Customer independently of this Contract ; and/or<br>c) Crown Copyright which is not available to the Supplier otherwise than under this Contract ; |
| **"Customer Cause"** | means any breach of the obligations of the Customer or any other default, act, omission, negligence or statement of the Customer, of its employees, servants, agents in connection with or in relation to the subject-matter of this Contract and in respect of which the Customer is liable to the Supplier; |
| **"Customer Data"** | means:<br>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, including any Customer's Confidential Information, and which:<br>i) are supplied to the Supplier by or on behalf of the Customer; or<br>ii) the Supplier is required to generate, process, store or transmit pursuant to this Contract ; or<br>b) any Personal Data for which the Customer is the Data Controller; |
| **"Customer Premises"** | means premises owned, controlled or occupied by the Customer which are made available for use by the Supplier or its Sub-Contractors for the provision of the Goods and/or Services (or any of them); |
| **"Customer Property"** | means the property, other than real property and IPR, including any equipment issued or made available to the Supplier by the Customer in connection with this Contract ; |
| **"Customer Representative"** | means the representative appointed by the Customer from time to time in relation to this Contract ; |
| **"Customer Responsibilities"** | means the responsibilities of the Customer set out in Contract Schedule 4 (Implementation Plan) and any other responsibilities of the Customer in the Contract Order Form or agreed in writing between the Parties from time to time in connection with this Contract ; |
| **"Customer's Confidential Information"** | means:<br>a) all Personal Data and any information, however it is conveyed, that relates to the business, affairs, developments, property rights, trade secrets, Know-How and IPR of the Customer (including all |

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| | Customer Background IPR and Project Specific IPR);<br>b) any other information clearly designated as being confidential (whether or not it is marked "confidential") or which ought reasonably be considered confidential which comes (or has come) to the Customer's attention or into the Customer's possession in connection with this Contract ; and<br>c) information derived from any of the above; |
| **"Data Controller"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Data Processor"** | has the meaning given to it in DPS Schedule 1 (Definitions);; |
| **"Data Protection Legislation" or "DPA"** | has the meaning given to it in DPS Schedule 1 (Definitions);; |
| **"Data Subject"** | has the meaning given to it in DPS Schedule 1 (Definitions);; |
| **"Data Subject Access Request"** | means a request made by a Data Subject in accordance with rights granted pursuant to the DPA to access his or her Personal Data; |
| **"Deductions"** | means all Service Credits, Delay Payments or any other deduction which the Customer is paid or is payable under this Contract ; |
| **"Default"** | means any breach of the obligations of the Supplier (including but not limited to including abandonment of this Contract in breach of its terms) or any other default (including material Default), act, omission, negligence or statement of the Supplier, of its Sub-Contractors or any Supplier Personnel howsoever arising in connection with or in relation to the subject-matter of this Contract and in respect of which the Supplier is liable to the Customer; |
| **"Delay"** | means:<br>a) a delay in the Achievement of a Milestone by its Milestone Date; or<br>b) a delay in the design, development, testing or implementation of a Deliverable by the relevant date set out in the Implementation Plan; |
| **"Delay Payments"** | means the amounts payable by the Supplier to the Customer in respect of a delay in respect of a Milestone as specified in the Implementation Plan; |
| **"Delay Period Limit"** | shall be the number of days specified in Contract Schedule 4 (Implementation Plan) for the purposes of Clause 6.4.1(b)(ii); |
| **"Deliverable"** | means an item or feature in the supply of the Goods and/or Services delivered or to be delivered by the Supplier at or before a Milestone Date listed in the Implementation Plan (if any) or at any other stage during |

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| | the performance of this Contract ; |
| **"Delivery"** | means delivery in accordance with the terms of this Contract as confirmed by the issue by the Customer of a Satisfaction Certificate in respect of the relevant Milestone thereof (if any) or otherwise in accordance with this Contract and accepted by the Customer and "**Deliver**" and "**Delivered**" shall be construed accordingly; |
| **"Disaster"** | means the occurrence of one or more events which, either separately or cumulatively, mean that the Goods and/or Services, or a material part thereof will be unavailable (or could reasonably be anticipated to be unavailable) for the period specified in the Contract Order Form (for the purposes of this definition the **"Disaster Period**"); |
| **"Disaster Recovery Goods and/or Services"** | means the Goods and/or Services embodied in the processes and procedures for restoring the provision of Goods and/or Services following the occurrence of a Disaster, as detailed further in Contract Schedule 8 (Business Continuity and Disaster Recovery); |
| **"Disclosing Party"** | has the meaning given to it in Clause 34.3.1 (Confidentiality); |
| **"Dispute"** | means any dispute, difference or question of interpretation arising out of or in connection with this Contract , including any dispute, difference or question of interpretation relating to the Goods and/or Services, failure to agree in accordance with the Variation Procedure or any matter where this Contract directs the Parties to resolve an issue by reference to the Dispute Resolution Procedure; |
| **"Dispute Notice"** | means 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"** | means the dispute resolution procedure set out in Contract Schedule 11 (Dispute Resolution Procedure); |
| **"Documentation"** | means all documentation as:<br>a) is required to be supplied by the Supplier to the Customer under this Contract ;<br>b) would reasonably be required by a competent third party capable of Good Industry Practice contracted by the Customer to develop, configure, build, deploy, run, maintain, upgrade and test the individual systems that provide the Goods and/or Services;<br>c) is required by the Supplier in order to provide the Goods and/or Services; and/or<br>d) has been or shall be generated for the purpose of providing the Goods and/or Services; |

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| **"DOTAS"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Due Diligence Information"** | means any information supplied to the Supplier by or on behalf of the Customer prior to the Contract Commencement Date; |
| **"Employee Liabilities"** | means 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 including in relation to the following:<br>a) redundancy payments including contractual or enhanced redundancy costs, termination costs and notice payments;<br>b) unfair, wrongful or constructive dismissal compensation;<br>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;<br>d) compensation for less favourable treatment of part-time workers or fixed term employees;<br>e) outstanding debts and unlawful deduction of wages including any PAYE and National Insurance Contributions in relation to payments made by the Customer or the Replacement Supplier to a Transferring Supplier Employee which would have been payable by the Supplier or the Sub-Contractor if such payment should have been made prior to the Service Transfer Date;<br>f) claims whether in tort, contract or statute or otherwise;<br>g) any investigation 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; |
| **"Employment Regulations"** | means 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; |
| **"Environmental Policy"** | means to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and |

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| | other substances damaging to health and the environment, including any written environmental policy of the Customer; |
| **"Environmental Information Regulations or EIRs"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Estimated Year 1 Contract Charges"** | means the sum in pounds estimated by the Customer to be payable by it to the Supplier as the total aggregate Contract Charges from the Contract Commencement Date until the end of the first Contract Year stipulated in the Contract Order Form; |
| **"Exit Plan"** | means the exit plan described in paragraph 5 of Contract Schedule 9 (Exit Management); |
| **"Expedited Dispute Timetable"** | means the timetable set out in paragraph 5 of Contract Schedule 11 (Dispute Resolution Procedure); |
| **"FOIA"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Force Majeure"** | means any event, occurrence, circumstance, matter or cause affecting the performance by either the Customer or the Supplier of its obligations arising from:<br>a) acts, events, omissions, happenings or non-happenings beyond the reasonable control of the Affected Party which prevent or materially delay the Affected Party from performing its obligations under this Contract ;<br>b) riots, civil commotion, war or armed conflict, acts of terrorism, nuclear, biological or chemical warfare;<br>c) acts of the Crown, local government or Regulatory Bodies;<br>d) fire, flood or any disaster; and<br>e) an industrial dispute affecting a third party for which a substitute third party is not reasonably available but excluding:<br>i) any industrial dispute relating to the Supplier, the Supplier Personnel (including any subsets of them) or any other failure in the Supplier or the Sub-Contractor's supply chain; and<br>ii) any event, occurrence, circumstance, matter or cause which is attributable to the wilful act, neglect or failure to take reasonable precautions against it by the Party concerned; and<br>iii) any failure of delay caused by a lack of funds; |
| **"Force Majeure Notice"** | means 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; |

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| **"Former Supplier"** | means a supplier supplying the goods and/or Services to the Customer before the Relevant Transfer Date that are the same as or substantially similar to the Goods and/or Services (or any part of the Goods and/or Services) and shall include any sub-contractor of such supplier (or any sub-contractor of any such sub-contractor); |
| **"DPS Agreement "** | means the DPS Agreement between the Authority and the Supplier referred to in the Contract Order Form; |
| **"DPS Commencement Date"** | means the date of commencement of the DPS Agreement as stated in the Contract Schedule 1 (Definitions); |
| **"DPS Period"** | means the period from the DPS Commencement Date until the termination of the DPS Agreement ; |
| **"DPS Schedule"** | means a schedule to the DPS Agreement ; |
| **"Fraud"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Call for Competition Procedure"** | means the competition procedure described in paragraph 2 of DPS Schedule 5 (Call for Competition Procedure); |
| **"General Anti-Abuse Rule"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"General Change in Law"** | means 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"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Goods"** | means the goods to be provided by the Supplier to the Customer as specified in Annex 2 of Contract Schedule 2 (Goods and and/or Services); |
| **"Government"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **“Government Procurement Card”** | means the Government’s preferred method of purchasing and payment for low value goods or services https://www.gov.uk/government/publications/government-procurement-card--2 ; |
| **"Halifax Abuse Principle"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"HMRC"** | means Her Majesty’s Revenue and Customs; |
| **"Holding Company"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"ICT Policy"** | means the Customer's policy in respect of information and communications technology, referred to in the Contract Order Form, which is in force as at the Contract Commencement Date (a copy of which has been supplied to the Supplier), as updated from time to time in |

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| | accordance with the Variation Procedure; |
| **"Impact Assessment"** | has the meaning given to it in Clause 22.1.3 (Variation Procedure); |
| **"Implementation Plan"** | means the plan set out in the Contract Schedule 4 (Implementation Plan); |
| **"Information"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Installation Works"** | means all works which the Supplier is to carry out at the beginning of the Contract Period to install the Goods in accordance with the Contract Order Form; |
| **"Insolvency Event"** | means, in respect of the Supplier or DPS Guarantor or Contract Guarantor (as applicable):<br>a) a proposal is made for a voluntary arrangement within Part I of the Insolvency Act 1986 or of any other composition scheme or arrangement with, or assignment for the benefit of, its creditors; or<br>b) a shareholders' meeting is convened for the purpose of considering a resolution that it be wound up or a resolution for its winding-up is passed (other than as part of, and exclusively for the purpose of, a bona fide reconstruction or amalgamation); or<br>c) a petition is presented for its winding up (which is not dismissed within fourteen (14) Working Days of its service) or an application is made for the appointment of a provisional liquidator or a creditors' meeting is convened pursuant to section 98 of the Insolvency Act 1986; or<br>d) a receiver, administrative receiver or similar officer is appointed over the whole or any part of its business or assets; or<br>e) an application order is made either for the appointment of an administrator or for an administration order, an administrator is appointed, or notice of intention to appoint an administrator is given; or<br>f) it is or becomes insolvent within the meaning of section 123 of the Insolvency Act 1986; or<br>g) being a "small company" within the meaning of section 382(3) of the Companies Act 2006, a moratorium comes into force pursuant to Schedule A1 of the Insolvency Act 1986; or<br>h) where the Supplier or DPS Guarantor or Contract Guarantor is an individual or partnership, any event analogous to those listed in limbs (a) to (g) (inclusive) occurs in relation to that individual or partnership; or<br>i) any event analogous to those listed in limbs (a) to |

(h) (inclusive) occurs under the law of any other jurisdiction;

**"Intellectual Property Rights" or "IPR"** means

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 or business 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;

**"IPR Claim"** means any claim of infringement or alleged infringement (including the defence of such infringement or alleged infringement) of any IPR, used to provide the Goods and/or Services or as otherwise provided and/or licensed by the Supplier (or to which the Supplier has provided access) to the Customer in the fulfilment of its obligations under this Contract ;

**"Key Performance Indicators" or "KPIs"** means the performance measurements and targets in respect of the Suppliers performance of the DPS Agreement set out in Part B of DPS Schedule 2 (Goods and/or Services and Key Performance Indicators);

**"Key Personnel"** means the individuals (if any) identified as such in the Contract Order Form;

**"Key Role(s) "** has the meaning given to it in Clause 26.1 (Key Personnel);

**"Key Sub-Contract"** means each Sub-Contract with a Key Sub-Contractor;

**"Key Sub-Contractor"** means any Sub-Contractor:

a) listed in DPS Schedule 7 (Key Sub-Contractors);

b) which, in the opinion of the Authority and the Customer, performs (or would perform if appointed) a critical role in the provision of all or any part of the Goods and/or Services; and/or

c) with a Sub-Contract with a contract value which at the time of appointment exceeds (or would exceed if appointed) 10% of the aggregate Contract Charges forecast to be payable under this Contract ;

**"Know-How"** means all ideas, concepts, schemes, information, knowledge, techniques, methodology, and anything else in the nature of know-how relating to the Goods and/or Services but excluding know-how already in the other

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| | Party's possession before the Contract Commencement Date; |
| **"Law"** | means any law, 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, regulatory policy, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements with which the Supplier is bound to comply; |
| **"Losses"** | means all losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgment, interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise and "**Loss**" shall be interpreted accordingly; |
| **"Man Day"** | means 7.5 Man Hours, whether or not such hours are worked consecutively and whether or not they are worked on the same day; |
| **"Man Hours"** | means the hours spent by the Supplier Personnel properly working on the provision of the Goods and/or Services including time spent travelling (other than to and from the Suppliers offices, or to and from the Sites) but excluding lunch breaks; |
| **"Milestone"** | means an event or task described in the Implementation Plan which, if applicable, must be completed by the relevant Milestone Date; |
| **"Milestone Date"** | means the target date set out against the relevant Milestone in the Implementation Plan by which the Milestone must be Achieved; |
| **"Milestone Payment"** | means a payment identified in the Implementation Plan to be made following the issue of a Satisfaction Certificate in respect of Achievement of the relevant Milestone; |
| **"Month"** | means a calendar month and "**Monthly**" shall be interpreted accordingly; |
| **"Occasion of Tax Non-Compliance"** | means:<br>a) any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 which is found on or after 1 April 2013 to be incorrect as a result of:<br>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 in any jurisdiction that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle;<br>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 DOTAS or any equivalent or similar regime in any jurisdiction; and/or

b) any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 which 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 Contract Commencement Date or to a civil penalty for fraud or evasion;

**"Open Book Data "** means complete and accurate financial and non-financial information which is sufficient to enable the Customer to verify the Contract Charges already paid or payable and Contract Charges forecast to be paid during the remainder of this Contract , including details and all assumptions relating to:

a) the Suppliers Costs broken down against each Good and/or Service and/or Deliverable, including actual capital expenditure (including capital replacement costs) and the unit cost and total actual costs of all goods and/or services;

b) operating expenditure relating to the provision of the Goods and/or Services including an analysis showing:

i) the unit costs and quantity of Goods and any other consumables and bought-in goods and/or 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 Suppliers Profit Margin; and

iv) Reimbursable Expenses, if allowed under the Contract Order Form;

c) Overheads;

d) all interest, expenses and any other third party financing costs incurred in relation to the provision of the Goods and/or Services;

e) the Supplier Profit achieved over the Contract Period 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;

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| | g) an explanation of the type and value of risk and contingencies associated with the provision of the Goods and/or Services, including the amount of money attributed to each risk and/or contingency; and<br><br>h) the actual Costs profile for each Service Period. |
| **"Order"** | means the order for the provision of the Goods and/or Services placed by the Customer with the Supplier in accordance with the DPS Agreement and under the terms of this Contract ; |
| **"Other Supplier"** | means any supplier to the Customer (other than the Supplier) which is notified to the Supplier from time to time and/or of which the Supplier should have been aware; |
| **"Over-Delivered Goods"** | has the meaning given to it in Clause 9.5.1 (Over-Delivered Goods); |
| **"Overhead"** | means those amounts which are intended to recover a proportion of the Suppliers 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"; |
| **"Parent Company"** | means any company which is the ultimate Holding Company of the Supplier and which is either responsible directly or indirectly for the business activities of the Supplier or which is engaged by the same or similar business to the Supplier. The term "Holding or Parent Company" shall have the meaning ascribed by the Companies Act 2006 or any statutory re-enactment or amendment thereto; |
| **"Party"** | means the Customer or the Supplier and "**Parties**" shall mean both of them; |
| **"Performance Monitoring System"** | has the meaning given to it in paragraph 1.1.2 in Part B of Schedule 6 (Service Levels, Service Credits and Performance Monitoring); |
| **"Performance Monitoring Reports"** | has the meaning given to it in paragraph 3.1 of Part B of Schedule 6 (Service Level, Service Credit and Performance Monitoring); |
| **"Personal Data"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"PQQ Response"** | means, where the DPS Agreement has been awarded under the Restricted Procedure, the response submitted by the Supplier to the Pre-Qualification Questionnaire issued by the Authority, and the expressions "Restricted Procedure" and "Pre-Qualification Questionnaire" shall have the meaning given to them in the Regulations; |

**"Processing"** has the meaning given to it in the Data Protection Legislation but, for the purposes of this Contract , it shall include both manual and automatic processing and "**Process**" and "**Processed**" shall be interpreted accordingly;

**"Prohibited Act"** means any of the following:

a) to directly or indirectly offer, promise or give any person working for or engaged by the Customer and/or the Authority or other Contracting Authority or any other public body 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) committing any offence:

i) under the Bribery Act 2010 (or any legislation repealed or revoked by such Act); or

ii) under legislation or common law concerning fraudulent acts; or

iii) defrauding, attempting to defraud or conspiring to defraud the Customer; or

iv) 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 IPR"** means:

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 Contract and updates and amendments of these items including (but not limited to) database schema; and/or

b) IPR in or arising as a result of the performance of the Suppliers obligations under this Contract and all updates and amendments to the same;

but shall not include the Supplier Background IPR;

**"Recipient"** has the meaning given to it in Clause 34.3.1 (Confidentiality);

**"Rectification Plan"** means the rectification plan pursuant to the Rectification Plan Process;

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| **"Rectification Plan Process"** | means the process set out in Clause 38.2 (Rectification Plan Process); |
| **"Registers"** | has the meaning given to in Contract Schedule 9 (Exit Management); |
| **"Regulations"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Reimbursable Expenses"** | has the meaning given to it in Contract Schedule 3 (Contract Charges, Payment and Invoicing); |
| **"Related Supplier"** | means any person who provides goods and/or services to the Customer which are related to the Goods and/or Services from time to time; |
| **"Relevant Conviction"** | means a Conviction that is relevant to the nature of the Goods and/or Services to be provided or as specified in the Contract Order Form; |
| **"Relevant Requirements"** | means 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"** | means HMRC, or, if applicable, the tax authority in the jurisdiction in which the Supplier is established; |
| **"Relevant Transfer"** | means a transfer of employment to which the Employment Regulations applies; |
| **"Relevant Transfer Date"** | means, in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place; |
| **"Relief Notice"** | has the meaning given to it in Clause 39.2.2 (Supplier Relief Due to Customer Cause); |
| **"Replacement Goods"** | means any goods which are substantially similar to any of the Goods and which the Customer receives in substitution for any of the Goods following the Contract Expiry Date, whether those goods are provided by the Customer internally and/or by any third party; |
| **"Replacement Services"** | means any services which are substantially similar to any of the Services and which the Customer receives in substitution for any of the Services following the Contract Expiry Date, whether those services are provided by the Customer internally and/or by any third party; |
| **"Replacement Sub-Contractor"** | means 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); |
| **"Replacement Supplier"** | means any third party provider of Replacement Goods and/or Services appointed by or at the direction of the Customer from time to time or where the Customer is providing Replacement Goods and/or Services for its own account, shall also include the Customer; |
| **"Request for Information"** | means a request for information or an apparent request relating to this Contract or the provision of the Goods |

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| | and/or Services or an apparent request for such information under the FOIA or the EIRs; |
| **"Restricted Countries"** | has the meaning given to it in Clause 34.6.3 (Protection of Personal Data); |
| **"Satisfaction Certificate"** | means the certificate materially in the form of the document contained in Contract Schedule 5 (Testing) granted by the Customer when the Supplier has Achieved a Milestone or a Test; |
| **"Security Management Plan"** | means the Suppliers security management plan prepared pursuant to paragraph 4 of Contract Schedule 7 (Security) a draft of which has been provided by the Supplier to the Customer in accordance with paragraph 4 of Contract Schedule 7 (Security) and as updated from time to time; |
| **"Security Policy"** | means the Customer's security policy, referred to in the Contract Order Form, in force as at the Contract Commencement Date (a copy of which has been supplied to the Supplier), as updated from time to time and notified to the Supplier; |
| **"Security Policy Framework"** | the current HMG Security Policy DPS that can be found at https://www.gov.uk/government/publications/security-policy-DPS ; |
| **"Service Credit Cap"** | has the meaning given to it in the Contract Order Form; |
| **"Service Credits"** | means any service credits specified in Annex 1 to Part A of Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring) being payable by the Supplier to the Customer in respect of any failure by the Supplier to meet one or more Service Levels; |
| **"Service Failure"** | means an unplanned failure and interruption to the provision of the Goods and/or Services, reduction in the quality of the provision of the Goods and/or Services or event which could affect the provision of the Goods and/or Services in the future; |
| **"Service Level Failure"** | means a failure to meet the Service Level Performance Measure in respect of a Service Level Performance Criterion; |
| **"Service Level Performance Criteria"** | has the meaning given to it in paragraph 4.2 of Part A of Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring); |
| **"Service Level Performance Measure"** | shall be as set out against the relevant Service Level Performance Criterion in Annex 1 of Part A of Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring); |
| **"Service Level Threshold"** | shall be as set out against the relevant Service Level Performance Criterion in Annex 1 of Part A of Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring); |
| **"Service Levels"** | means any service levels applicable to the provision of |

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| | the Goods and/or Services under this Contract specified in Annex 1 to Part A of Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring); |
| **"Service Period"** | has the meaning given to in paragraph 5.1 of Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring); |
| **"Service Transfer"** | means any transfer of the Goods and/or Services (or any part of the Goods and/or Services), for whatever reason, from the Supplier or any Sub-Contractor to a Replacement Supplier or a Replacement Sub-Contractor; |
| **"Service Transfer Date"** | means the date of a Service Transfer; |
| **"Services"** | means the services to be provided by the Supplier to the Customer as referred to in Annex A of Contract Schedule 2 (Goods and Services); |
| **"Sites"** | means any premises (including the Customer Premises, the Suppliers premises or third party premises) from, to or at which:<br>a) the Goods and/or Services are (or are to be) provided; or<br>b) the Supplier manages, organises or otherwise directs the provision or the use of the Goods and/or Services. |
| **"Specific Change in Law"** | means a Change in Law that relates specifically to the business of the Customer and which would not affect a Comparable Supply; |
| **"Staffing Information"** | has the meaning give to it in Contract Schedule 10 (Staff Transfer); |
| **"Standards"** | means any:<br>a) standards published by BSI British Standards, the National Standards Body of the United Kingdom, the International Organisation for Standardisation or other reputable or equivalent bodies (and their successor bodies) that a skilled and experienced operator in the same type of industry or business sector as the Supplier would reasonably and ordinarily be expected to comply with;<br>b) standards detailed in the specification in DPS Schedule 2 (Goods and/or Services and Key Performance Indicators);<br>c) standards detailed by the Customer in the Contract Order Form or agreed between the Parties from time to time;<br>d) relevant Government codes of practice and guidance applicable from time to time. |
| **"Statement of** | means a statement issued by the Customer detailing its |

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| **Requirements”** | requirements in respect of Goods and/or Services issued in accordance with the Call for Competition Procedure; |
| **"Sub-Contract"** | means any contract or agreement (or proposed contract or agreement), other than this Contract or the DPS Agreement , pursuant to which a third party:<br>a) provides the Goods and/or Services (or any part of them);<br>b) provides facilities or services necessary for the provision of the Goods and/or Services (or any part of them); and/or<br>c) is responsible for the management, direction or control of the provision of the Goods and/or Services (or any part of them); |
| **"Sub-Contractor"** | means any person other than the Supplier, who is a party to a Sub-Contract and the servants or agents of that person; |
| **"Supplier"** | means the person, firm or company with whom the Customer enters into this Contract as identified in the Contract Order Form; |
| **"Supplier Assets"** | means all assets and rights used by the Supplier to provide the Goods and/or Services in accordance with this Contract but excluding the Customer Assets; |
| **"Supplier Background IPR"** | means<br>a) Intellectual Property Rights owned by the Supplier before the Contract Commencement Date, for example those subsisting in the Suppliers standard development tools, program components or standard code used in computer programming or in physical or electronic media containing the Suppliers Know-How or generic business methodologies; and/or<br>b) Intellectual Property Rights created by the Supplier independently of this Contract , |
| **"Supplier Equipment"** | means the Suppliers hardware, computer and telecoms devices, equipment, plant, materials and such other items supplied and used by the Supplier (but not hired, leased or loaned from the Customer) in the performance of its obligations under this Contract ; |
| **"Supplier Non-Performance"** | has the meaning given to it in Clause 39.1 (Supplier Relief Due to Customer Cause); |
| **"Supplier Personnel"** | means all directors, officers, employees, agents, consultants and contractors of the Supplier and/or of any Sub-Contractor engaged in the performance of the Suppliers obligations under this Contract ; |
| **"Supplier Profit"** | means, in relation to a period or a Milestone (as the context requires), the difference between the total Contract Charges (in nominal cash flow terms but excluding any Deductions) and total Costs (in nominal |

| | |
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| | cash flow terms) for the relevant period or in relation to the relevant Milestone; |
| **"Supplier Profit Margin"** | means, 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 Contract Charges over the same period or in relation to the relevant Milestone and expressed as a percentage; |
| **"Supplier Representative"** | means the representative appointed by the Supplier named in the Contract Order Form; |
| **"Suppliers Confidential Information"** | means<br>a) any information, however it is conveyed, that relates to the business, affairs, developments, IPR of the Supplier (including the Supplier Background IPR) trade secrets, Know-How, and/or personnel of the Supplier;<br>b) any other information clearly designated as being confidential (whether or not it is marked as "confidential") or which ought reasonably to be considered to be confidential and which comes (or has come) to the Suppliers attention or into the Suppliers possession in connection with this Contract ;<br>c) information derived from any of the above. |
| **"Template Contract Order Form"** | means the Template Contract Order Form in Annex 1 of DPS Schedule 4 (Template Contract Order Form and Template Contract Terms); |
| **"Template Contract Terms"** | means the template terms and conditions in Annex 2 of DPS Schedule 4 (Template Order Form and Template Contract Terms); |
| **"Tender"** | means the tender submitted by the Supplier to the Authority and annexed to or referred to in Contract Schedule 15; |
| **"Termination Notice"** | means 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 Contract on a specified date and setting out the grounds for termination; |
| **"Test Issue"** | means any variance or non-conformity of the Goods and/or Services or Deliverables from their requirements as set out in the Contract ; |
| **"Test Plan"** | means a plan:<br>a) for the Testing of the Deliverables; and<br>b) setting out other agreed criteria related to the achievement of Milestones,<br>as described further in paragraph 4 of Call of Schedule 5 (Testing); |

| | |
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| **"Test Strategy"** | means a strategy for the conduct of Testing as described further in paragraph 3 of Contract Schedule 5 (Testing); |
| **"Tests and Testing"** | means any tests required to be carried out pursuant to this Contract as set out in the Test Plan or elsewhere in this Contract and "Tested" shall be construed accordingly; |
| **"Third Party IPR"** | means Intellectual Property Rights owned by a third party which is or will be used by the Supplier for the purpose of providing the Goods and/or Services; |
| **"Transferring Customer Employees"** | those employees of the Customer to whom the Employment Regulations will apply on the Relevant Transfer Date; |
| **"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; |
| **"Transferring Supplier Employees"** | means those employees of the Supplier and/or the Suppliers Sub-Contractors to whom the Employment Regulations will apply on the Service Transfer Date. |
| **"Undelivered Goods"** | has the meaning given to it in Clause 9.4.1 (Goods); |
| **"Undelivered Goods and/or Services"** | has the meaning given to it in Clause 8.4.1 (Goods and/or Services); |
| **"Undisputed Sums Time Period"** | has the meaning given to it Clause 42.1.1 (Termination of Customer Cause for Failure to Pay); |
| **"Valid Invoice"** | means an invoice issued by the Supplier to the Customer that complies with the invoicing procedure in paragraph 7 (Invoicing Procedure) of Contract Schedule 3 (Contract Charges, Payment and Invoicing); |
| **"Variation"** | has the meaning given to it in Clause 22.1 (Variation Procedure); |
| **"Variation Form"** | means the form set out in Contract Schedule 12 (Variation Form); |
| **"Variation Procedure"** | means the procedure set out in Clause 22.1 (Variation Procedure); |
| **"VAT"** | has the meaning given to it in DPS Schedule 1 (Definitions); |
| **"Warranty Period"** | means, in relation to any Goods, the warranty period specified in the Contract Order Form; |
| **"Worker"** | means any one of the Supplier Personnel which the Customer, in its reasonable opinion, considers is an individual to which Procurement Policy Note 08/15 (Tax Arrangements of Public Appointees) https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees applies in respect of the Goods and/or Services. |
| **"Working Day"** | means any day other than a Saturday or Sunday or public holiday in England and Wales unless specified |

otherwise by Parties in this Contract .

## CONTRACT SCHEDULE 2: SERVICES

### 1. INTRODUCTION

1.1 This Contract Schedule 2 specifies the:

1.1.1 Services to be provided under this Contract, in Annex 1.

## ANNEX 1: THE SERVICES

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## 1. PURPOSE

1.1 The department for work and pensions ((dwp, hereafter referred to as the Authority) uses covert surveillance equipment fitted to vehicles. The fraud and error service (FES) team who are part of the counter fraud and compliance directorate operate the equipment on a day to day basis.

1.2 The contract geographical area covers national provision for the authority which includes england, scotland and wales.

1.3 FES has a fleet of approximately 70 official vehicles held at various locations nationally comprising of cars, vans and motorcycles, which are equipped with covert radios and / or surveillance equipment and services for use by the authority.

1.4 The Supplier will deliver the best value for money in meeting the specification, providing goods and services to a high standard in terms of quality, and showing innovation in the use of the latest technology.

## 2. DEFINITIONS

| EXPRESSION OR ACRONYM | DEFINITION |
|---|---|
| THE AUTHORITY | MEANS THE DEPARTMENT FOR WORK AND PENSIONS (DWP) |
| FES | MEANS FRAUD AND ERROR SERVICE |
| NAPFM | NATIONAL ASSOCIATION OF POLICE FLEET MANAGERS |
| DVR | DIGITAL VIDEO RECORDERS |
| RCD | RESIDUAL CURRENT DEVICE |
| PTZ | PAN-TILT-ZOOM CAMERA |
| SUPPLIER | MEANS SONIC COMMUNICATIONS LTD |

## 3. SCOPE OF REQUIREMENT

3.1.1 This requirement relates to the supply, installation, de-installation, re-installation and maintenance of covert surveillance equipment in vehicles for the Department for Work and Pensions.

3.1.2 The majority of Authority vehicles are leased from another provider. The current policy is that vehicles will be replaced every four years, with a business exception agreement to extend this period annually as required. In addition to the leased vehicles some surveillance vans are owned by the Authority and as a result will be kept longer than 5 years.

3.1.3 Where an additional vehicle is leased the Supplier will conduct first time installation services.

3.1.4 Where vehicles are due for renewal the Supplier will:

3.1.4.1 Remove equipment from the old vehicle and install it into the new vehicle if the equipment is deemed fit for purpose and a replacement vehicle is being obtained;

3.1.4.2 Remove equipment and store it for future use in other vehicles where the equipment is deemed fit for purpose OR dispose of the equipment in accordance with legislation.

3.1.5 The surveillance work will take place primarily in towns and cities across the UK. The equipment provided will be suitable to operate in these environments.

## 3.2 QUANTITY OF GOODS

3.2.1 The contract will be a call off contract with no guaranteed of volumes or expenditure.

3.2.2 The contract is offered for an initial Two (2) year period, with the option to extend for a further Two (2) Years in annual increments;

3.2.3 The total contract value across the initial 2 year period shall not exceed £300,000. Should the extension options be invoked this shall be in increments of One (1) year to a maximum value of £150,000.00 per annum. The Maximum contract value shall not exceed £600,000.00.

3.2.4 The Supplier will work with the Authority to minimise contract leakage and off contract spend, which may include internal advertisement of the contract and the production of catalogues etc.

3.2.5 No Marketing material shall be released without the expressed permission of the Authority.

## 3.3 INSTALLATION/DE INSTALLATION

3.3.1 Work will be undertaken at the Suppliers secure premises or at the Authority's premises if a mobile installation service is used and the supplier will offer both services.

3.3.2 The Supplier may be required to de install current equipment from existing vehicles and re install into new vehicles when they are replaced (if current equipment is still deemed fit for purpose). Vehicles include cars and vans.

3.3.3 Up on request of the Authority, the Supplier will fully de-install all equipment. The equipment will then either be disposed of or retained (by the Supplier) awaiting a future installation. A full audit trail must be retained by the Supplier which shall be accessible to the Authority on request.

3.3.4 The Supplier will re-install equipment, conducting safety/electrical tests as appropriate to ensure the equipment is in working order, which has been previously de-installed into new vans and cars as requested by the Authority.

3.3.5 The Supplier will maintain a list of stored and disposed equipment throughout the lifetime of the contract. This 'Asset Register' shall be submitted to the contract manager on a quarterly basis.

3.3.6 The Supplier may need to travel to a DWP site, which is secure, to de-install the equipment. Where the Authority has identified a suitable secure

premises the Supplier will carry out de-installations and repairs on that approved site.

3.3.7 Any installation or modification to the vehicle should comply with the recommendations of FCS1362:2016 Code of Practice and any prevailing legislation.

3.3.8 The Supplier will provide fitting warranty for the lifetime of the contract, any repairs required during this period will be at the expense of the supplier. The Supplier will provide a comprehensive breakdown of the warranty offered as part of any resultant contract.

## 3.4 DISPOSAL

3.4.1 The Supplier will be responsible for the appropriate and legal disposal of old equipment in compliance with all relevant and pertinent regulations including but not limited to WEEE regulations including the costs involved

3.4.2 The Supplier will maintain an Asset Disposal Register throughout the lifetime of the contract. This shall be submitted to the Authority's Contract Manager on a quarterly basis and be available to the Authority on request.

## 3.5 DELIVERY AND TRANSPORTATION OF VEHICLES

3.5.1 All installation/ de-installation work shall be carried out at the Suppliers secure premises or at the Authority's secure premises by the Suppliers mobile fitting unit. A preferred programme for installation will be discussed and agreed prior to delivery.

3.5.2 A collection/delivery service shall also be provided from/to the Authority's secure hubs. Hub locations are listed in **Annex A – Vehicle Geographical Location and Hub Location List.**

3.5.3 All new vehicles will be delivered direct to the Supplier's secure premises, once installation has been completed the supplier will be responsible for the onward delivery of the vehicle to the Authority's Hub Location.

3.5.4 The Authority will pay for mileage costs based on HM Revenue and Customs rates. HMRC Mileage & Fuel Rates Allowances

3.5.5 Where it is required that the Supplier's staff drives the Authority's vehicles on the public road, the Supplier will confirm the competence of the driver(s), validity of their licence and must ensure they are fully insured for that purpose.

3.5.6 The Supplier and their staff **MUST** not use the Authority's vehicles for their own or personal purposes.

## 3.6 WORK TIMESCALES

3.6.1 All work should be undertaken within the following timelines following receipt of a valid purchase order and delivery of the vehicle (to own site only):

i. Unmanned vans - maximum of 4 weeks

ii. Manned vans - maximum of 6 weeks;

iii. Car surveillance Fits - maximum of 4 weeks;

iv. Car/Van/Motorcycle radio fits – maximum of 2 weeks.

## 3.7 STANDARD OF WORK

3.7.1 All work shall be carried out in accordance with all relevant and pertinent accepted industry standards, safety practices, relevant guidelines, EU Regulations and specifications.

3.7.2 To protect resale values, the designs shall be such as to minimise the number and size of holes made in the bodywork and interior of the vehicles and adhere to National Association of Police Fleet Managers (NAPFM) codes of practice.

3.7.3 The Supplier will ensure that the safety aspects of any vehicle are not compromised. Particular attention shall be paid to work that affects vehicle safety systems such as multiple airbags.

3.7.4 The Supplier will be liable for any damage caused to the Authority vehicles whilst in their care and must have adequate insurance for this.

3.7.5 The Supplier will ensure adequate insurance cover for staff moving the Authority's vehicles within their secure premises, the Authority retains the right to request a copy of the certificate and it's covering policy at any time during the contract lifetime.

## 3.8 TESTING AND ACCEPTANCE

3.8.1 The Supplier shall undertake both static and mobile tests to ensure that the installed equipment is functioning correctly.

3.8.2 The Supplier shall give the Authority the opportunity to inspect each completed installation.

3.8.3 Upon collection/delivery of vehicle, a complete handover and commissioning inspection is required, including testing.

3.8.4 The Supplier shall provide the Authority with copies of the installation design, documentation and test records for each vehicle. A booklet is required for each installation including relevant details and test results and installed equipment serial numbers.

## 3.9 VEHICLE AND PREMISES SECURITY

3.9.1 Due to the covert nature of the equipment and services being supplied, the Supplier must ensure that appropriate levels of security and confidentiality are maintained at all times. Installation work on vehicles should be carried out in a secure area with access restricted to authorised personnel only.

3.9.2 The Supplier shall ensure adequate alarm, camera and security lighting systems, security of perimeters and buildings and appropriate fire

precautions are in place at their premises and their sub-contractors premises.

3.9.3 When unattended, vehicles shall be stored securely and where practical out of sight of the general public.

3.9.4 The Supplier shall also notify and gain approval from the Authority if any sub-contractors are to be employed to undertake any part of the work.

3.9.5 The Supplier will maintain a secure e-mail facility in place for transmitting restricted data to and from the Authority.

3.9.6 The service delivery under this contract **MUST** be in line with the Authority's security policies, these can be found at **Annex B – Data Security Policy, Annex C – Baseline Security Standards**:

## 3.10 CONVERSION/FIT-OUT REQUIREMENTS

### 3.10.1 Cars

The current fleet of cars have the following characteristics and equipment installed. Any de installation and subsequent installation must as a minimum have the capability below.

- Camera hides.

The following cameras are installed to each vehicle:

i. Additional camera connection ports, provided to the left and right side of the vehicle for optional connection of suitable cameras and spares for hosts such as coat hangers, baby seats etc.;

ii. At least 2 x rear facing – 1 ptz with 36x optical, 12x digital zoom, day/night operation, 1 monochrome with optical zoom, 2 x forward facing, 1 colour, 1 mono with optical zoom 2 x side cameras or optional capability for removable camera to cover both sides of the vehicle;

iii. Capacity to attach a remote viewing facility to the equipment to allow for 3g/4g operation of the video system in accordance with para 2.1.5/6.

- Video surveillance system

i. 6 camera video surveillance input capability, housed within a ruggedised protective case with a tough exterior, to facilitate fitting and removal from the vehicle as necessary;

ii. All 6 camera inputs must have buffered video outputs provided on a patch panel to allow system re-configuration;

iii. The system will provide on-screen display of camera selection, memory status and playback/review speed;

iv. The ruggedised case will also contain a single channel digital video recorder, providing a limited choice of recording formats, recording to an internal minimum 120gb hard drive, with the capability to burn all, or operator selectable events, such as alarms or video over a specific time period to an integral dvd burner. It will be possible for the operator to review recordings made on the hard drive without effecting the information being recorded;

v. All dvr adjustments and reviewing shall be provided by the use of a colour touch screen, mounted separate to the dvr/dvd burner using a user friendly gui. It must be possible for the operator to review recordings made on the hard drive without affecting the information being recorded;

vi. To allow future upgrade capability, the dvr will be ethernet enabled, to facilitate the use of the equipment with 3g/4g egress equipment;

vii. Power for the system will be provided from an independent auxiliary vehicle boot mounted 210a/h battery, providing a minimum of 48 hours unmanned operation. This should be covered by a 12 month warranty

viii. The auxiliary battery will be provided with both mains and split charging systems with fail safe protection, to avoid driving the vehicle while on mains charging. When connected to the mains, the vehicle battery will also be maintained by a battery optimizer;

ix. Supply and install a 3g/4g bolt-on package.

3.10.2 Vans (manned and unmanned)

The current fleet of vans have the following characteristics and equipment installed, and any de installation and subsequent installation must mirror the current capability. Unmanned vehicles are alarmed. If they are attacked they currently do not notify the user through the radio. If not already factory fitted, the vehicle will be supplied with a thatcham approved alarm and immobiliser.

- Manned

i. A designed and constructed full bulkhead hide housing up to two covert operators. The hides comply with all relevant health and safety guidelines;

ii. 7 cameras. 1 front facing, 1 rear facing, 1 roof mounted, 4 security cameras

iii. Forward and rear camera viewing apertures, complete with blackout curtains as required (subject to the type of vehicle and operational requirement);

iv. Multiple fan air circulation system;

v. Two 210 ah sealed lithium or equivalent standard batteries and intelligent charging system with mains powered cooling fans and

mains rcd (residual current device) protection. The battery system will be configured in such a way that when the primary battery discharges to less than 15%-20% capacity, it will automatically switch to the secondary battery to allow lengthened/ continual surveillance. The charging system should also have a split charging

vi. Vehicle battery optimiser to ensure the vehicle starting battery is always in peak condition;

vii. Mains powered thermostatically controlled heater to maintain constant internal temperature when charging;

viii. Mains inverter and single 240v mains socket for pc use;

ix. Up to two seats with arm rests and three point seat belt fixings. Seats should swivel, recline, and have forward/ backward manoeuvrability

x. Control panel featuring all controls for accessories and battery voltage meter. Panel will include 12 volt auxiliary socket;

xi. Lighting which includes a white 12 volt florescent (flush fitting) and red night-light and map lights;

xii. Fire retardant sound deadening material on interior walls of van, finished in black carpet; with a wipe clean hardwearing floor

xiii. Remote switches to allow activation of front wipers, washers and front de-mist if applicable;

xiv. Panic alarm;

xv. Fire blanket and extinguisher;

xvi. Auxiliary battery low voltage protection sensor;

xvii. Two cup/drinks holders;

xviii. Deployment/travelling handles;

xix. Storage cargo spaces and netting;

xx. White marker board;

xxi. Patch panel to assist with video distribution and to allow the connection of 3g/4g system;

xxii. Installation of video surveillance systems and associated components/cameras/monitors;

xxiii. 6 camera video surveillance system, comprising 2 x pan-tilt-zoom (ptz) cameras and 4x fixed monochrome security cameras. Ptz cameras to provide a minimum of 36x optical, 12 digital zoom and allow day/night operation. One camera will be roof mounted,

providing 360 degree viewing and the second capable of forward or rear viewing through suitable viewing ports fitted to the vehicle;

xxiv. All 6x camera inputs shall have buffered video outputs provided on a patch panel to allow system re-configuration;

xxv. The system will include a minimum of 3x 15" flat screen monitors, capable of viewing all camera inputs as configured by the operator, with the 4x security cameras being able to be viewed in a quad or full screen view;

xxvi. At least two means of access/exit to and from the rear of the vehicle is required. Exit must be capable of being opened internally by a single operation, whilst providing security from external sources. In vehicles with no side entry doors, a secondary means of exit is provided (e.g. Via folding cab passenger seat). Specific arrangements will be discussed for each vehicle;

xxvii. Capacity to attach a 3g/4g system to allow remote operation of the video system in accordance with para 2.1.5/6.

xxviii. 4 security cameras that have night vision capability

3.10.3 Unmanned 3g/4g vans

i. A designed and constructed vehicle to provide a 'see through' hide. Exact vehicle design/ build to be decided by a planning meeting, when exact make and model of van is known, minimum requirement is for glazed rear doors and no internal bulkhead.

ii. All covert surveillance equipment to be mounted out of view, exact positioning to be determined at the planning meeting.

iii. All rear internal surfaces to be ply lined and 'distressed'

iv. Two 210 ah sealed lead acid batteries and intelligent charging system with mains powered cooling fans and mains rcd protection. The battery system will be configured in such a way that when the primary battery discharges to less than 15%-20% capacity, it will automatically switch to the secondary battery to allow unmanned lifestyle surveillance;

v. Vehicle battery optimiser to ensure the vehicle starting battery is always in peak condition;

vi. One camera roof mounted providing 360deg viewing, camera to provide a minimum of 36x optical, 12 digital zoom and allow day/night operation

vii. It is essential to have an adequate 3g/4g system to allow remote operation of the video system in accordance with para 2.1.5/6.

viii. Evidential dvr/dvd burner (all vehicles)

ix. Digital video recorder, with a limited choice of current uk industry standard recording formats, e.g. Mpeg 2 / mpeg 4 / divx etc. Recording to an internal minimum 120gb hard drive, with the capability to burn all, or operator selectable events, such as alarms or video over a specific time period to an integral dvd burner. Recorder must have the ability to produce a technical event log for court purposes

x. It must be possible for the operator to review recordings made on the hard drive without effecting the information being recorded;

xi. Dvrs must have the ability to be adjusted and reviewed.

xii. To allow future upgrade capability, the dvr will be ethernet enabled, to facilitate the use of the equipment with 3g/4g egress equipment;

3.10.4 Service equipment requirements

Installations can entail removing equipment from old vehicles and re-installing into new vehicles. Currently vehicles have sepura srh3900 mobile airwave terminals installed and related equipment. For any vehicles where the equipment in an old vehicle is no longer usable, or the vehicle is an extension to the existing fleet, the authority will make the following available free of charge to the supplier:

i. All components supplied with the radio terminals; and

ii. Standard sepura installation kits.

iii. Sepura mobile radio installation guidelines and recommendations must be adhered to.

The supplier is required to install each radio to agreed designs in a covert configuration.

The supplier is required to supply all other items required to carry out the installation, including and unless superseded but not limited to:

i. Gps antennae for the built-in gps receiver.

ii. Covert 380–400 mhz antenna/diplexer suitable for each model/type of vehicle (option).

iii. Internal 380– 400 mhz discreet t bar antenna (option).

iv. Ptt stalks on steering column

v. Any additional buttons, switches, loop and connectors.

vi. Any additional cables.

vii. All fixings

viii. Any special mounting brackets that may need to be procured or fabricated

ix. Installation of free-issued sepura communication system, including the installation of a covert antenna;

3.10.5 Each vehicle installation shall be completed in accordance with an agreed design for the particular make/model/type of vehicle. The Supplier shall be responsible for submitting these designs to the Authority for agreement prior to carrying out any work.

3.10.6 On the delivery of each individual vehicle a design meeting will take place for that make and model, between the Supplier and the user to determine the position of all required elements. A drawing will be produced by the supplier at this time, to become an element of the vehicle installation information pack. A generic schematic design could be utilised with variations for specific make/model agreed on delivery. Repeated models could use the same design.

3.10.7 Installations shall be of a “deep fit” nature. The radio terminals/ancillaries shall be concealed inside the vehicle, including in the boot space. The use of “back-boards” is unacceptable. Control head in the glove box with the transceiver installed behind boot panels or under the boot floor to ensure concealment.

3.10.8 The transceiver must be attached to the mounting bracket installation in such a way that it is easily removed and reinstalled by non-technical operatives. The transceiver will be removed for vehicle servicing and MOTs etc. Alternatives to small black self-tapping screws, for example thumb screws are required. The mounting must be robust enough to withstand repeated removal of the transceiver/pack. Solutions to be discussed and agreed.

3.10.9 A laminated User Card should be supplied showing details of the design per vehicle.

3.10.10 Existing radio equipment removed from a vehicle will be utilised and may be re-used where they remain in good condition. Alternatively, new radio equipment will be provided where required. The Supplier will be responsible for the appropriate disposal of old equipment.

3.10.11 The Supplier will advise the Authority on the selection and procurement of suitable covert antennas (and diplexers, where appropriate) for the types of vehicles being fitted. The antennas shall be chosen to optimise radio performance and eliminate mutual interference, whilst at the same time maintaining the covert appearance of the vehicle. Where a choice of antenna is involved, for example an internal or external antenna, then technical information concerning advantages/disadvantages and costs for both configurations should be supplied.

3.10.12 Where the Supplier is required to provide and install covert antennas specific to vehicles by make/model/year, the Authority will provide accurate advanced information in order to maintain speed of turn-around.

3.10.13 Basic Car/Van configuration

i. The basic car/van configuration shall include but not be limited to the following:

ii. Covert installation of srh3900 airwave radio;

iii. Transceiver/pack in the boot area;

iv. Radio console mounted in the glove box;

v. Cover/discreet antenna;

vi. Remote control unit;

vii. Fist microphone;

viii. Two (minimum) covert ptt buttons;

ix. Inductive loop;

x. Power switch;

xi. Changeover switch for loops/speaker;

xii. Covert speaker;

xiii. Covert microphone;

xiv. Headset options for the van.

3.10.14 Basic motorcycle configuration

The basic motorcycle configuration shall include but not be limited to the following:

i. Covert installation of srh3900 airwave radio;

ii. Transceiver/pack under seat;

iii. Radio console;

iv. Covert (removable) remote control unit to change channels within talk group/volume plus/minus;

v. Alarm fit (optional);

vi. Heated grips;

vii. Sat. Nav. (optional);

viii. Helmet communications. Option for integral helmet communications or removable headset.

ix. Covert ptt (pass switch)

3.11 Covert radio installations / de installations

3.11.1 The Supplier will hold a TEA2 sub licence at the commencement of operations.

3.11.2 The Supplier may be required to de-install current Sepura radios from existing vehicles and re-install into new vehicles when they are replaced.

3.11.3 The Authority is currently researching a communications solution to replace the existing Sepura radios. Therefore, there may be a requirement to be able to fit this to existing vehicles for covert operations

3.12 **TRAINING**

3.12.1 The Supplier will undertake training in the use of equipment to the Authority's staff as/where necessary and provide written relevant instructions.

3.12.2 Provision of up to 8 training days annually for up skilling events are required for up to 12 representatives at the Supplier's / FES sites.

3.13 **MAINTENANCE REPAIR AND WARRANTY**

3.13.1 The Supplier will be responsible for maintaining all aspects of new equipment during the contract period. This will be undertaken at the Supplier's secure premises or, wherever possible, FES secure sites.

3.13.2 The Supplier will provide a warranty period for work on vehicles and any goods supplied including batteries. If any systematic faults are found with the equipment or installations the Supplier shall be responsible for correcting this. The Supplier will cover costs of systematic faults and ensure swift resolution with minimum disruption to the Authority.

3.13.3 Where warranty repairs are required to be undertaken at the Supplier's premises, the Supplier will be responsible for the collection and delivery of vehicles from the Authority's hubs listed at **Annex A – Vehicle Geographical Location and Hub Location List**.

3.13.4 Vehicles shall be collected / delivered within 5 working days to allow minimum disruption to FES operations.

3.13.5 Vehicles shall be returned with the same level of fuel that they contained when collected.

3.13.6 For other repairs the Supplier is expected to collect and deliver vehicles from / to the Authority's hubs. The Supplier will collect from any Authority site or have the vehicle delivered to their site by a member of Authority staff Quotations for repair work will be sought on an individual case by case basis and suppliers should therefore include for the associated transportation costs. Quotations for repairs should be provided to the Authority within 48 hours of the request. Repairs should be completed within a maximum of 2 weeks of receiving the equipment and purchase order. In these cases the Authority will leave the vehicle with enough fuel to transport the vehicle to and from the Supplier's premises.

3.13.7 Repairs will be completed at the Authority's premises to minimise costs for both parties. This will include a diagnostic service where possible

3.13.8 The Supplier will provide a secure courier service for return and delivery of body worn surveillance equipment requiring repair. The cost will be borne by the Supplier if the equipment is under warranty, or by the Authority if outside the warranty period

## 3.14 COVERT PERSONAL / BODY WORN SURVEILLANCE EQUIPMENT

3.14.1 A range of hand held and body worn covert recording equipment is used by Fraud Investigators during surveillance activities, these can include but are not limited to:

i. MINIATURE DVR WITH A SELECTION OF INTERCHANGEABLE LENS

ii. DVR 'KITS' FOR THE MANUFACTURE OF BESPOKE HIDES

iii. KEY FOB DVR

iv. PHONE DVR

v. DRINKS BOTTLE HIDE

vi. DRINKS CAN HIDE

vii. BULLET CAM

3.14.2 All equipment supplied will be robust, of high quality, and fully guaranteed and where appropriate will be supplied fitted into the host item. Surveillance is undertaken in a variety of situations and can involve mobile surveillance at close quarters to the subject.

3.14.3 The equipment supplied will reflect the ability to conduct mobile / static surveillance in any situation that may arise throughout. The Authority may purchase the Supplier's own manufactured hides, however the Authority will also wish to construct bespoke hides.

3.14.4 **Miniature Digital Video Recorders**

3.14.4.1 Miniature digital recording devices should have the capacity for use as a body worn solution or in a wide variety of camera concealment devices for covert operations.

3.14.4.2 They will have a rechargeable power source capable of a minimum of 2 hours recording time and record onto a hard drive or compact flash card (SD) (preferably both).

3.14.4.3 They will be capable of producing high quality video, stills and audio recordings and be compatible with standard IT and digital recording formats to enable playback and production of DVD evidence with time/date stamp as standard. (Further information on image quality can be found in the Association of Chief Police Officers Guidance)

3.14.4.4 The equipment will have the ability to format/ amend the date and time / BST without the need for connection to an IT platform.

3.14.4.5 A wireless remote control, will be required for operations. The remote control should have a vibrating facility and low battery indicator. The remote will only be required to interface with the DVR.

3.14.4.6 There is a necessity the DVR will have the capacity to interface with a selection of existing camera input devices via industry standard connectors.

3.14.4.7 Please see the following link to the Government Buying Standards:

https://www.gov.uk/government/collections/sustainable-procurement-the-government-buying-standards-gbs

3.14.5 **Camera Input Devices**

3.14.5.1 A variety of camera input solutions will be required to interface with the Digital Video Recorders (DVR) to enable effective covert surveillance in operational scenarios.

3.14.5.2 It is essential that the Digital Video Recorder is supplied with a number of lens solutions i.e. colour/ black and white, shirt button, colour/ black and white glass lens in differing focal lengths. These lens solutions must have the capability to be deployed as body worn solutions in clothing hand held or locally designed and built bespoke hides/ static observation points when required.

3.14.5.3 Full interoperability with the Digital Video Recording devices is essential.

3.14.5.4 The Authority does not consider that these DVR need to be encrypted. A key feature should be the facility to download captured images in a variety of formats as defined by the Authority.

3.14.5.5 FES currently utilise a variety of pre constructed hides (e.g. smartphones, key fobs etc.) containing miniature DVR, designed to be hand held. New Innovative hide designs would be considered and of interest to FES. It is essential that this equipment should have the ability to format/ amend the date and time / BST without the need for connection to an IT platform.

3.14.6 **Test/ Review Monitor**

3.14.6.1 A Test/ Review monitor must be compatible with the Digital Video Recorder to enable operational testing of camera settings.

3.14.7 **Carry Cases**

3.14.7.1 Equipment should be fully portable and come in a sturdy protective case for transportation and storage.

## 4. DELIVERY

4.1 Deliveries will generally be to a central point in England however one off orders may require delivery anywhere within england, scotland and wales. Delivery are included in the pricing structure.

## 5. CONTRACT MANAGEMENT

5.1 The Authority will require regular contract review meetings in addition to the operational meetings required to deliver the service. As a minimum account managers will be required, at no additional cost, to attend:

5.1.1 monthly contract review meetings, to review spend, initiatives, savings and performance against the contract terms;

5.2 Quarterly contract review meetings (supersede the above), at which the authority's commercial contract manager shall also be present.

5.3 The authority require the following management information as a minimum, these will be reviewed during the quarterly review meetings:

| Report required | Regularity |
|---|---|
| Installations/de-installations: Adherence to delivery plans. We measure actual delivery date against requested delivery date; | Quarterly |
| Quality issues with installations: Monitor the number of quality issues arising against the number of installations; | Monthly |
| Monitor date work completed compared to the date specified in the purchase order; | Monthly |
| Correct handover and completed documents for an installation: To include copy of installation design documentation, commissioning in accordance with spec, completed inspection and testing documentation with a booklet for each vehicle; | Within 48 hour period of completion |
| Training: Monitoring of completion of training; | Within 48 hour period of request |
| Disposals: Correct documentation completed for each equipment disposal (including confirmation that all legal and environmental considerations have been met;<br>Repair Quotes: Monitor receipt within 48 hour period requested in the spec; | Within 48 hour period request |
| Warranty Repairs: Accurate records to be forwarded in respect of all warranty repairs; | Within 48 hour period request |
| Itemised spend. | Provided monthly and included on each invoice presented. |
| Asset Register – to outline equipment removed and retained for future fit outs as well as a full list of disposed equipment | Quarterly |

## 6. KEY MILESTONES

6.1 The following project milestones will measure the quality of delivery against:

| Milestone | Description | Timeframe |
|---|---|---|
| 1 | Contract Commencement and service provision | January 2018 |
| 2 | Contract Inception meeting | Within 5 working days of contract Award |
| 3 | Agreement of the business continuity plans | Within One Month of Contract go live |
| 4 | Agreement of Issues and Escalations Process | Within One Month of Contract go live |

## 7. CONTINUOUS IMPROVEMENT

7.1 The supplier shall commit to proactively seek out continuous improvement to the service levels and suggest process and other improvements to reduce cost to the authority.

7.2 The supplier will support the authority in achieving its fleet related strategic and environmental objectives, these can be found at:

https://www.gov.uk/government/policies/sustainable-development

7.3 This will be achieved through carrying out regular operational, strategic and procurement reviews (as detailed below in account management). The supplier shall facilitate these reviews and provide fleet data, benchmarking, expert advice and consultation. Both parties shall adhere to the principles of continuous improvement.

7.4 The supplier will continually improve the way in which the required services are to be delivered throughout the contract duration.

7.5 The supplier will present new ways of working to the authority during contract review meetings.

7.6 Changes to the way in which the services are to be delivered must be brought to the authority's attention and agreed prior to any changes being implemented.

## 8. SUSTAINABILITY

8.1 The supplier will to ensure that any and all proposals for service delivery and account management comply with the authority's sustainability and environmental policies, these can be found at:

**HTTPS://WWW.GOV.UK/GOVERNMENT/POLICIES/SUSTAINABLE-DEVELOPMENT**

## 9. STAFF AND CUSTOMER SERVICE

9.1 The Supplier shall provide a sufficient level of resource throughout the duration of the contract in order to consistently deliver a quality service to all parties.

9.2 The Suppliers staff assigned to the contract shall have the relevant qualifications and experience to deliver the contract.

9.3 The Suppliers staff shall understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the contract.

## 10. LOCATION

10.1 The location of the services will be carried out at supplier premises or one of our hubs

## CONTRACT SCHEDULE 3: CONTRACT CHARGES, PAYMENT AND INVOICING

### 1. DEFINITIONS

1.1 The following terms used in this Contract Schedule 3 shall have the following meaning:

| | |
|---|---|
| **"Indexation"** | means the adjustment of an amount or sum in accordance with paragraph 11 of this Contract Schedule 3; |
| **"Indexation Adjustment Date"** | has the meaning given to it in paragraph 11.1.1(a) of this Contract Schedule 3; |
| **"Reimbursable Expenses"** | means the reasonable out of pocket travel and subsistence (for example, hotel and food) expenses, properly and necessarily incurred in the performance of the Services, calculated at the rates and in accordance with the Customer's expenses policy current from time to time, but not including:<br>a) travel expenses incurred as a result of Supplier Personnel travelling to and from their usual place of work, or to and from the premises at which the Services are principally to be performed, unless the Customer otherwise agrees in advance in writing; and<br>b) subsistence expenses incurred by Supplier Personnel whilst performing the Services at their usual place of work, or to and from the premises at which the Services are principally to be performed; |
| **"Review Adjustment Date"** | has the meaning given to it in paragraph 10.1.2 of this Contract Schedule 3; |
| **"CPI"** | means the **Consumer Prices Index** as published by the Office of National Statistics ( http://www.statistics.gov.uk/instantfigures.asp); and |
| **"Supporting Documentation"** | means sufficient information in writing to enable the Customer to reasonably to assess whether the Contract Charges, Reimbursable Expenses and other sums due from the Customer under this Contract detailed in the information are properly payable. |

### 2. GENERAL PROVISIONS

2.1 This Contract Schedule 3 details:

2.1.1 the Contract Charges for the Goods and/or the Services under this Contract ; and

2.1.2 the payment terms/profile for the Contract Charges;

2.1.3 the invoicing procedure; and

2.1.4 the procedure applicable to any adjustments of the Contract Charges.

## 3. CONTRACT CHARGES

3.1 The Contract Charges which are applicable to this Contract are set out in Annex 1 of this Contract Schedule 3.

3.2 The Supplier acknowledges and agrees that:

3.2.1 in accordance with paragraph 2 (General Provisions) of Contract Schedule 3 (Contract Prices and Charging Structure), the Contract Charges can in no event exceed the Contract Prices set out in Annex 1 to Contract Schedule 3 (Contract Prices and Charging Structure); and

3.2.2 subject to paragraph 8 of this Contract Schedule 3 (Adjustment of Contract Charges), the Contract Charges cannot be increased during the Contract Period.

## 4. COSTS AND EXPENSES

4.1 Except as expressly set out in paragraph 5 of this Contract Schedule 3(Reimbursable Expenses),] the Contract Charges include all costs and expenses relating to the Goods and/or Services and/or the Suppliers performance of its obligations under this Contract and no further amounts shall be payable by the Customer to the Supplier in respect of such performance, including in respect of matters such as:

4.1.1 any incidental expenses that the Supplier incurs, including travel, subsistence and lodging, document or report reproduction, shipping, desktop or office equipment costs required by the Supplier Personnel, network or data interchange costs or other telecommunications charges; or

4.1.2 any amount for any services provided or costs incurred by the Supplier prior to the Contract Commencement Date.

## 5. REIMBURSEABLE EXPENSES

5.1 If the Customer has so specified in the Contract Order Form, the Supplier shall be entitled to be reimbursed by the Customer for Reimbursable Expenses (in addition to being paid the relevant Contract Charges under this Contract ), provided that such Reimbursable Expenses are supported by Supporting Documentation. The Customer shall provide a copy of their current expenses policy to the Supplier upon request.

## 6. PAYMENT TERMS/PAYMENT PROFILE

6.1 The payment terms/profile which are applicable to this Contract are set out in Annex 2 of this Contract Schedule 3.

## 7. INVOICING PROCEDURE

7.1 The Customer shall pay all sums properly due and payable to the Supplier in cleared funds within thirty (30) days of receipt of a Valid Invoice, submitted to the address specified by the Customer in paragraph 7.6 of this Contract Schedule 3 and in accordance with the provisions of this Contract.

7.2 The Supplier shall ensure that each invoice (whether submitted electronically through a purchase-to-pay (P2P) automated system (or similar) or in a paper form, as the Customer may specify (but, in respect of paper form, subject to paragraph 7.3 below)):

7.2.1 contains:

(a) all appropriate references, including the unique order reference number set out in the Contract Order Form; and

(b) a detailed breakdown of the Delivered Goods and/or Services, including the Milestone(s) (if any) and Deliverable(s) within this Contract to which the Delivered Goods and/or Services relate, against the applicable due and payable Contract Charges; and

7.2.2 shows separately:

(a) any Service Credits due to the Customer; and

(b) the VAT added to the due and payable Contract Charges in accordance with Clause 23.2.1 of this Contract (VAT) and the tax point date relating to the rate of VAT shown; and

7.2.3 is exclusive of any Management Charge (and the Supplier shall not attempt to increase the Contract Charges or otherwise recover from the Customer as a surcharge the Management Charge levied on it by the Authority); and

7.2.4 it is supported by any other documentation reasonably required by the Customer to substantiate that the invoice is a Valid Invoice.

7.3 If the Customer is a Central Government Body, the Customer's right to request paper form invoicing shall be subject to procurement policy note 11/15 (available at **Procurement policy note 11/15: unstructured electronic invoices - Publications - GOV.UK** which sets out the policy in respect of unstructured electronic invoices submitted by the Supplier to the Customer (as may be amended from time to time).

7.4 The Supplier shall accept the Government Procurement Card as a means of payment for the Goods and/or Services where such card is agreed with the Customer to be a suitable means of payment. The Supplier shall be solely liable to pay any merchant fee levied for using the Government Procurement Card and shall not be entitled to recover this charge from the Customer.

7.5 All payments due by one Party to the other shall be made within thirty (30) days of receipt of a Valid Invoice unless otherwise specified in this Contract, in cleared funds, to such bank or building society account as the recipient Party may from time to time direct.

7.6 The Supplier shall submit invoices directly to the Customer's billing address set out in the Contract Order Form.

## 8. ADJUSTMENT OF CONTRACT CHARGES

8.1 The Contract Charges shall only be varied:

8.1.1 due to a Specific Change in Law in relation to which the Parties agree that a change is required to all or part of the Contract Charges in accordance with Clause 22.2 of this Contract (Legislative Change);

8.1.2 in accordance with Clause **Error! Reference source not found.** of this Contract (Contract Charges and Payment) where all or part of the Contract Charges are reduced as a result of a reduction in the DPS Prices;

8.1.3 where all or part of the Contract Charges are reduced as a result of a review of the Contract Charges in accordance with Clause 18 of this Contract (Continuous Improvement);

8.1.4 where all or part of the Contract Charges are reduced as a result of a review of Contract Charges in accordance with Clause 25 of this Contract (Benchmarking);

8.1.5 where all or part of the Contract Charges are reviewed and reduced in accordance with paragraph 9 of this Contract Schedule 3;

8.1.6 where a review and increase of Contract Charges is requested by the Supplier and Approved, in accordance with the provisions of paragraph 10 of this Contract Schedule 3; or

8.1.7 where Contract Charges or any component amounts or sums thereof are expressed in this Contract Schedule 3 as "subject to increase by way of Indexation", in accordance with the provisions in paragraph 11 of this Contract Schedule 3.

8.2 Subject to paragraphs 8.1.1 to 8.1.5 of this Contract Schedule 3, the Contract Charges will remain fixed for the number of Contract Years specified in the Contract Order Form.

## 9. SUPPLIER PERIODIC ASSESSMENT OF CONTRACT CHARGES

9.1 Every six (6) Months during the Contract Period, the Supplier shall assess the level of the Contract Charges to consider whether it is able to reduce them.

9.2 Such assessments by the Supplier under paragraph 9 of this Contract Schedule 3 shall be carried out on the dates specified in the Contract Order Form in each Contract Year (or in the event that such dates do not, in any Contract Year, fall on a Working Day, on the next Working Day following such dates). To the extent that the Supplier is able to decrease all or part of the Contract Charges it shall promptly notify the Customer in writing and such reduction shall be implemented in accordance with paragraph 12.1.5 of this Contract Schedule 3 below.

## 10. SUPPLIER REQUEST FOR INCREASE OF THE CONTRACT CHARGES

10.1 If the Customer has so specified in the Contract Order Form, the Supplier may request an increase in all or part of the Contract Charges in accordance with the remaining provisions of this paragraph 10 subject always to:

10.1.1 paragraph 3.2 of this Contract Schedule 3;

10.1.2 the Suppliers request being submitted in writing at least three (3) Months before the effective date for the proposed increase in the relevant Contract Charges ("**Review Adjustment Date**") which shall be subject to paragraph 10.2 of this Contract Schedule 3; and

10.1.3 the Approval of the Customer which shall be granted in the Customer's sole discretion.

10.2 The earliest Review Adjustment Date will be the first (1st) Working Day following the anniversary of the Contract Commencement Date after the expiry of the

period specified in paragraph 8.2 of this Schedule 3 during which the Contract Charges shall remain fixed (and no review under this paragraph 10 is permitted). Thereafter any subsequent increase to any of the Contract Charges in accordance with this paragraph 10 of this Contract Schedule 3 shall not occur before the anniversary of the previous Review Adjustment Date during the Contract Period.

10.3 To make a request for an increase of some or all of the Contract Charges in accordance with this paragraph 10, the Supplier shall provide the Customer with:

10.3.1 a list of the Contract Charges it wishes to review;

10.3.2 for each of the Contract Charges under review, written evidence of the justification for the requested increase including:

(a) a breakdown of the profit and cost components that comprise the relevant Contract Charge;

(b) details of the movement in the different identified cost components of the relevant Contract Charge;

(c) reasons for the movement in the different identified cost components of the relevant Contract Charge;

(d) evidence that the Supplier has attempted to mitigate against the increase in the relevant cost components; and

(e) evidence that the Suppliers profit component of the relevant Contract Charge is no greater than that applying to Contract Charges using the same pricing mechanism as at the Contract Commencement Date.

## 11. INDEXATION

11.1 Where the Contract Charges or any component amounts or sums thereof are expressed in this Contract Schedule 3 as "subject to increase by way of Indexation" the following provisions shall apply:

11.1.1 the relevant adjustment shall:

(a) be applied on the effective date of the increase in the relevant Contract Charges by way of Indexation **("Indexation Adjustment Date**") which shall be subject to paragraph 11.1.2 of this Contract Schedule 3;

(b) be determined by multiplying the relevant amount or sum by the percentage increase or changes in the Consumer Price Index published for the twelve (12) Months ended on the 31st of January immediately preceding the relevant Indexation Adjustment Date;

(c) where the published CPI figure at the relevant Indexation Adjustment Date is stated to be a provisional figure or is subsequently amended, that figure shall apply as ultimately confirmed or amended unless the Customer and the Supplier shall agree otherwise;

(d) if the CPI is no longer published, the Customer and the Supplier shall agree a fair and reasonable adjustment to that index or, if appropriate, shall agree a revised formula that in either event

will have substantially the same effect as that specified in this Contract Schedule 3.

11.1.2 The earliest Indexation Adjustment Date will be the (1st) Working Day following the expiry of the period specified in paragraph 8.2 of this Contract Schedule 3 during which the Contract Charges shall remain fixed (and no review under this paragraph 11 is permitted). Thereafter any subsequent increase by way of Indexation shall not occur before the anniversary of the previous Indexation Adjustment Date during the Contract Period;

11.1.3 Except as set out in this paragraph 11 of this Contract Schedule 3, neither the Contract 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 under this Contract .

## 12. IMPLEMENTATION OF ADJUSTED CONTRACT CHARGES

12.1 Variations in accordance with the provisions of this Contract Schedule 3 to all or part the Contract Charges (as the case may be) shall be made by the Customer to take effect:

12.1.1 in accordance with Clause 22.2 of this Contract (Legislative Change) where an adjustment to the Contract Charges is made in accordance with paragraph 8.1.1 of this Contract Schedule 3;

12.1.2 in accordance with Clause **Error! Reference source not found.** of this Contract (Contract Charges and Payment) where an adjustment to the Contract Charges is made in accordance with paragraph 8.1.2 of this Contract Schedule 3;

12.1.3 in accordance with Clause 18 of this Contract (Continuous Improvement) where an adjustment to the Contract Charges is made in accordance with paragraph 8.1.3 of this Contract Schedule 3;

12.1.4 in accordance with Clause 25 of this Contract (Benchmarking) where an adjustment to the Contract Charges is made in accordance with paragraph 8.1.4 of this Contract Schedule 3;

12.1.5 on the dates specified in the Contract Order Form where an adjustment to the Contract Charges is made in accordance with paragraph 8.1.5 of this Contract Schedule 3;

12.1.6 on the Review Adjustment Date where an adjustment to the Contract Charges is made in accordance with paragraph 8.1.6 of this Contract Schedule 3;

12.1.7 on the Indexation Adjustment Date where an adjustment to the Contract Charges is made in accordance with paragraph 8.1.7 of this Contract Schedule 3;

and the Parties shall amend the Contract Charges shown in Annex 1 to this Contract Schedule 3 to reflect such variations.

## ANNEX 1: CONTRACT CHARGES

- The contract value shall be capped at £600,000 for the duration of the contract inclusive of extension options.
- Contract Charge increases may be requested should the contract extension of 2 x 1 year be enacted.
- The following costs shall remain firmfor the intitial contract term (2 years) and used to benchmark all contract charges.
- Requests for price increases must be made in writing no later than 60 days prior to the anniversary of the contract and in line with rpi capped at no more than 3%. Any contract charge increases must be agreed between the Parties in advance.

**Core Costs:** **REDACTED**

## NON CORE COSTS

Some of the non-core costs are no longer security cleared and as such have been removed from those submitted as part of the bid on 7th December 2017.

When the relevant accreditation is agreed between the Parties these item will be added back into the contract via a Variation as outlined in Contract Schedule 12: Variation Form.

**REDACTED**

## ANNEX 2: PAYMENT TERMS/PROFILE

- The Authority requires a payment profile of monthly in arrears to be made available, however, may request alternate payment profiles.
- The Supplier shall issue invoices monthly and the customer shall pay the supplier within thirty (30) days of receipt of a valid invoice, submitted in accordance with the provisions of the contract.
- The Authority will require the Supplier to utilise the customer's single operating platform (sop) interface files (also known as electronic or feeder files) for payment of all invoices, please refer to the supplier adoption pack at annex d. Or accept payment via e-pcs card
- The Supplier adoption pack document at Annex D provides details of the background, process and technical specification for payment of invoices using the sop interface files method.
- The requirement is that the supplier will provide an e-catalogue (to be uploaded to the departments' single operating platform) from which the goods and services can be procured.
- Invoices must be submitted to:

  The billing address stated on the Purchase Order. The invoice must also state the Purchase Order number. Failure to state the purchase order number will result in the invoice being rejected.

## CONTRACT SCHEDULE 4: IMPLEMENTATION PLAN

## NOT APPLIED

## CONTRACT SCHEDULE 5: TESTING

### 13. INTRODUCTION

13.1 This Contract Schedule 5 (Testing) sets out the approach to Testing and the different Testing activities to be undertaken, including the preparation and agreement of the Test Strategy and Test Plans.

### 14. TESTING OVERVIEW

14.1 All Tests conducted by the Supplier shall be conducted in accordance with the Test Strategy and the Test Plans.

14.2 Any Disputes between the Supplier and the Customer regarding this Testing shall be referred to the Dispute Resolution Procedure.

### 15. TEST STRATEGY

15.1 The Supplier shall develop the final Test Strategy as soon as practicable but in any case no later than sixty (60) Working Days (or such other period as the Parties may agree) after the Contract Commencement Date.

15.2 The final Test Strategy shall include:

15.2.1 an overview of how Testing will be conducted in relation to the Implementation Plan;

15.2.2 the process to be used to capture and record Test results and the categorisation of Test Issues;

15.2.3 the procedure to be followed should a Deliverable fail a Test or where the Testing of a Deliverable produces unexpected results, including a procedure for the resolution of Test Issues;

15.2.4 the procedure to be followed to sign off each Test; and

15.2.5 the process for the production and maintenance of reports relating to Tests.

### 16. TEST PLANS

16.1 The Supplier shall develop Test Plans for the approval of the Customer as soon as practicable but in any case no later than sixty (60) Working Days (or such other period as the Parties may agree in the Test Strategy or otherwise) prior to the start date for the relevant Testing as specified in the Implementation Plan.

16.2 Each Test Plan shall include as a minimum:

16.2.1 the relevant Test definition and the purpose of the Test, the Milestone to which it relates, the requirements being Tested;

16.2.2 a detailed procedure for the Tests to be carried out, including:

(a) the timetable for the Tests including start and end dates;

(b) the Testing mechanism;

(c) dates and methods by which the Customer can inspect Test results;

(d) the mechanism for ensuring the quality, completeness and relevance of the Tests;

(e) the process with which the Customer will review Test Issues and progress on a timely basis; and

(f) the re-Test procedure, the timetable and the resources which would be required for re-Testing.

16.3 The Customer shall not unreasonably withhold or delay its approval of the Test Plans and the Supplier shall implement any reasonable requirements of the Customer in the Test Plans.

## 17. TESTING

17.1 When the Supplier has completed a Milestone it shall submit any Deliverables relating to that Milestone for Testing.

17.2 Each party shall bear its own costs in respect of the Testing. However, if a Milestone is not Achieved the Customer shall be entitled to recover from the Supplier, any reasonable additional costs it may incur as a direct result of further review or re-Testing of a Milestone.

17.3 If the Supplier successfully completes the requisite Tests, the Customer shall issue a Satisfaction Certificate as soon as reasonably practical following such successful completion. Notwithstanding the issuing of any Satisfaction Certificate, the Supplier shall remain solely responsible for ensuring that the Goods and/or Services are implemented in accordance with this Contract.

## 18. TEST ISSUES

18.1 Where a Test Issue is identified by the Supplier, the Parties shall agree how such Test Issue shall be dealt with and any failure to agree by the Parties shall be resolved in accordance with the Dispute Resolution Procedure.

## 19. TEST QUALITY AUDIT

19.1 Without prejudice to its rights pursuant to Clause 21 (Records, Audit Access and Open Book Data), the Customer or an agent or contractor appointed by the Customer may perform on-going quality audits in respect of any part of the Testing.

19.2 If the Customer has any concerns following an audit in accordance with paragraph 19.1 above the Customer will discuss such concerns with the Supplier, giving the Supplier the opportunity to provide feedback in relation to specific activities, and subsequently prepare a written report for the Supplier detailing the same to which the Supplier shall, within a reasonable timeframe, respond in writing.

19.3 In the event of an inadequate response to the written report from the Supplier, the Customer (acting reasonably) may withhold a Satisfaction Certificate until the issues in the report have been addressed to the reasonable satisfaction of the Customer.

## 20. OUTCOME OF TESTING

20.1 The Customer will issue a Satisfaction Certificate when it is satisfied that a Milestone has been Achieved.

20.2 If any Milestones (or any relevant part thereof) do not pass the Test in respect thereof then:

20.2.1 the Supplier shall rectify the cause of the failure and re-submit the Deliverables (or the relevant part) to Testing, provided that the Parties agree that there is sufficient time for that action prior to the relevant Milestone Date; or

20.2.2 the Parties shall treat the failure as a Supplier Default.

## ANNEX 1: SATISFACTION CERTIFICATE

To: [insert name of Supplier]

FROM: [insert name of Customer]

[insert Date: dd/mm/yyyy]

Dear Sirs,

### SATISFACTION CERTIFICATE

[Deliverable(s)/Milestone(s)]: *[Insert relevant description of the agreed Deliverables/Milestones]*

We refer to the agreement (**"Contract "**) [insert Contract reference number] relating to the provision of the [insert description of the Goods and/or Services] between the [*insert Customer name*] (**"Customer"**) and [*insert Supplier name*] (**"Supplier"**) dated [*insert Contract Commencement Date dd/mm/yyyy*].

The definitions for any capitalised terms in this certificate are as set out in the Contract.

We confirm that all the [Deliverables/Milestones] relating to [ ] *[insert relevant description of agreed Deliverables/Milestones and/or reference numbers(s) from the Implementation Plan]* have been completed.

Yours faithfully

[insert Name]

[insert Position]

acting on behalf of [insert name of Customer]

## CONTRACT SCHEDULE 6: SERVICE LEVELS, SERVICE CREDITS AND PERFORMANCE MONITORING

### 1. SCOPE

1.1 This Contract Schedule 6 (Service Levels, Service Credits and Performance Monitoring) sets out the Service Levels which the Supplier is required to achieve when providing the Goods and/or Services, the mechanism by which Service Level Failures and Critical Service Level Failures will be managed and the method by which the Suppliers performance in the provision by it of the Goods and/or Services will be monitored.

1.2 This Contract Schedule 6 comprises:

1.2.1 Part A: Service Levels and Service Credits;

1.2.2 Annex 1 to Part A - Service Levels and Service Credits Table; and

1.2.3 Annex 1 to Part B: Performance Monitoring.

## PART A: SERVICE LEVELS AND SERVICE CREDITS

### 2. GENERAL PROVISIONS

2.1 The Supplier shall provide a proactive Contract manager to ensure that all Service Levels in this Contract and Key Performance Indicators in the DPS Agreement are achieved to the highest standard throughout, respectively, the Contract Period and the DPS Period.

2.2 The Supplier shall provide a managed service through the provision of a dedicated Contract manager where required on matters relating to:

2.2.1 Supply performance;

2.2.2 Quality of Services;

2.2.3 Customer support;

2.2.4 Complaints handling; and

2.2.5 Accurate and timely invoices.

2.3 The Supplier accepts and acknowledges that failure to meet the Service Level Performance Measures set out in the table in Annex 1 to this Part A of this Contract Schedule 6 will result in Service Credits being issued to Customers.

### 3. PRINCIPAL POINTS

3.1 The objectives of the Service Levels and Service Credits are to:

3.1.1 ensure that the Goods and/or Services are of a consistently high quality and meet the requirements of the Customer;

3.1.2 provide a mechanism whereby the Customer can attain meaningful recognition of inconvenience and/or loss resulting from the Suppliers failure to deliver the level of service for which it has contracted to deliver; and

3.1.3 incentivise the Supplier to comply with and to expeditiously remedy any failure to comply with the Service Levels.

### 4. SERVICE LEVELS

4.1 Annex 1 to this Part A of this Contract Schedule 6 sets out the Service Levels the performance of which the Parties have agreed to measure.

4.2 The Supplier shall monitor its performance of this Contract by reference to the relevant performance criteria for achieving the Service Levels shown in Annex 1 to this Part A of this Contract Schedule 6 (the "**Service Level Performance Criteria**") and shall send the Customer a Performance Monitoring Report detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Contract Schedule 6.

4.3 The Supplier shall, at all times, provide the Goods and/or Services in such a manner that the Service Levels Performance Measures are achieved.

4.4 If the level of performance of the Supplier of any element of the provision by it of the Goods and/or Services during the Contract Period:

4.4.1 is likely to or fails to meet any Service Level Performance Measure or

4.4.2 is likely to cause or causes a Critical Service Failure to occur,

4.4.3 the Supplier shall immediately notify the Customer in writing and the Customer, in its absolute discretion and without prejudice to any other of its rights howsoever arising including under Clause 13 of this Contract (Service Levels and Service Credits), may:

(a) require the Supplier to immediately take all remedial action that is reasonable to mitigate the impact on the Customer and to rectify or prevent a Service Level Failure or Critical Service Level Failure from taking place or recurring; and

(b) if the action taken under paragraph (a) above has not already prevented or remedied the Service Level Failure or Critical Service Level Failure, the Customer shall be entitled to instruct the Supplier to comply with the Rectification Plan Process; or

(c) if a Service Level Failure has occurred, deduct from the Contract Charges the applicable Service Level Credits payable by the Supplier to the Customer in accordance with the calculation formula set out in Annex 1 of this Part A of this Contract Schedule 6; or

(d) if a Critical Service Level Failure has occurred, exercise its right to Compensation for Critical Service Level Failure in accordance with Clause 14 of this Contract (Critical Service Level Failure) (including subject, for the avoidance of doubt, the proviso in Clause 14.2.2 of this Contract in relation to Material Breach).

4.5 Approval and implementation by the Customer of any Rectification Plan shall not relieve the Supplier of any continuing responsibility to achieve the Service Levels, or remedy any failure to do so, and no estoppels or waiver shall arise from any such Approval and/or implementation by the Customer.

## 5. SERVICE CREDITS

5.1 Annex 1 to this Part A of this Contract Schedule 6 sets out the formula used to calculate a Service Credit payable to the Customer as a result of a Service Level Failure in a given service period which, for the purpose of this Contract Schedule 6, shall be a recurrent period of one Month during the Contract Period (the "**Service Period**").

5.2 Annex 1 to this Part A of this Contract Schedule 6 includes details of each Service Credit available to each Service Level Performance Criterion if the applicable Service Level Performance Measure is not met by the Supplier.

5.3 The Customer shall use the Performance Monitoring Reports supplied by the Supplier under Part B (Performance Monitoring) of this Contract Schedule 6 to verify the calculation and accuracy of the Service Credits, if any, applicable to each relevant Service Period.

5.4 Service Credits are a reduction of the amounts payable in respect of the Goods and/or Services and do not include VAT. The Supplier shall set-off the value of any Service Credits against the appropriate invoice in accordance with calculation formula in Annex 1 of Part A of this Contract Schedule 6.

## 6. NATURE OF SERVICE CREDITS

6.1 The Supplier confirms that it has modelled the Service Credits and has taken them into account in setting the level of the Contract Charges. Both Parties agree that the Service Credits are a reasonable method of price adjustment to reflect poor performance.

## ANNEX 1 TO PART A: SERVICE LEVELS AND SERVICE CREDITS TABLE

The Authority will measure the quality of the Supplier's delivery by:

| KPI/SLA | SERVICE AREA | KPI/SLA DESCRIPTION | TARGET |
|---|---|---|---|
| 1 | Delivery Of Equipment | Within 10 working days of e-catalogue order | 100% |
| 2 | Installs/De-Installs Of Equipment | Within 3 working days of vehicle delivery to site | 100% |
| 3 | Service Delivery | Quotations for repairs should be provided to the authority within 48 hours of the request | 100% |
| 4 | Service Delivery | All repairs completed within a maximum of 2 weeks of receiving the equipment and purchase order | 100% |
| 5 | Reporting | Delivery of all contract management requirements as specified in section 5 of this specification | 100% |
| 6 | Account Management | Respond to all emails and telecommunications within 24 hours | 100% |
| 7 | Account Management | Resolve or put in place mitigation and remedies for all queries and complaints within 5 working days | 100% |

## ANNEX 1 TO PART B: PERFORMANCE MONITORING

### 1. PRINCIPAL POINTS

1.1 Part B to this Contract Schedule 6 provides the methodology for monitoring the provision of the Goods and/or Services:

1.1.1 to ensure that the Supplier is complying with the Service Levels; and

1.1.2 for identifying any failures to achieve Service Levels in the performance of the Supplier and/or provision of the Goods and/or Services ("**Performance Monitoring System**").

1.2 Within twenty (20) Working Days of the Contract Commencement Date the Supplier shall provide the Customer with details of how the process in respect of the monitoring and reporting of Service Levels will operate between the Parties and the Parties will endeavour to agree such process as soon as reasonably possible.

### 2. REPORTING OF SERVICE FAILURES

2.1 The Supplier shall report all failures to achieve Service Levels and any Critical Service Level Failure to the Customer in accordance with the processes agreed in paragraph 1.2 of Part B of this Contract Schedule 6 above.

### 3. PERFORMANCE MONITORING AND PERFORMANCE REVIEW

3.1 The Supplier shall provide the Customer with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process and timescales agreed pursuant to paragraph 1.2 of Part B of this Contract Schedule 6 above which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:

3.1.1 for each Service Level, the actual performance achieved over the Service Level for the relevant Service Period;

3.1.2 a summary of all failures to achieve Service Levels that occurred during that Service Period;

3.1.3 any Critical Service Level Failures and details in relation thereto;

3.1.4 for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence;

3.1.5 the Service Credits to be applied in respect of the relevant period indicating the failures and Service Levels to which the Service Credits relate; and

3.1.6 such other details as the Customer may reasonably require from time to time.

3.2 The Parties shall attend meetings to discuss Performance Monitoring Reports ("**Performance Review Meetings**") on a monthly basis (unless otherwise agreed). The Performance Review Meetings will be the forum for the review by the Supplier and the Customer of the Performance Monitoring Reports. The Performance Review Meetings shall (unless otherwise agreed):

3.2.1 take place within one (1) week of the Performance Monitoring Reports being issued by the Supplier;

3.2.2 take place at such location and time (within normal business hours) as the Customer shall reasonably require unless otherwise agreed in advance;

3.2.3 be attended by the Suppliers Representative and the Customer's Representative; and

3.2.4 be fully minuted by the Supplier. The prepared minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to the Customer's Representative and any other recipients agreed at the relevant meeting. The minutes of the preceding month's Performance Review Meeting will be agreed and signed by both the Suppliers Representative and the Customer's Representative at each meeting.

3.3 The Customer shall be entitled to raise any additional questions and/or request any further information regarding any failure to achieve Service Levels.

3.4 The Supplier shall provide to the Customer such supporting documentation as the Customer may reasonably require in order to verify the level of the performance by the Supplier and the calculations of the amount of Service Credits for any specified Service Period.

## 4. SATISFACTION SURVEYS

4.1 In order to assess the level of performance of the Supplier, the Customer may undertake satisfaction surveys in respect of the Suppliers provision of the Goods and/or Services.

4.2 The Customer shall be entitled to notify the Supplier of any aspects of their performance of the provision of the Goods and/or Services which the responses to the Satisfaction Surveys reasonably suggest are not in accordance with this Contract .

4.3 All other suggestions for improvements to the provision of Goods and/or Services shall be dealt with as part of the continuous improvement programme pursuant to Clause 18 of this Contract (Continuous Improvement).

## CONTRACT SCHEDULE 7: SECURITY

### 1. DEFINITIONS

1.1 In this Contract Schedule 7, the following definitions shall apply:

| | |
|---|---|
| **"Breach of Security"** | means the occurrence of:<br>a) any unauthorised access to or use of the Goods and/or Goods and/or Services, the Sites and/or any Information and Communication Technology ("ICT"), information or data (including the Confidential Information and the Customer Data) used by the Customer and/or the Supplier in connection with this Contract ; and/or<br>b) the loss and/or unauthorised disclosure of any information or data (including the Confidential Information and the Customer Data), including any copies of such information or data, used by the Customer and/or the Supplier in connection with this Contract ,<br>in either case as more particularly set out in the security requirements in the Security Policy; |
| **"ISMS"** | the information security management system and process developed by the Supplier in accordance with paragraph 3 (ISMS) as updated from time to time in accordance with this Schedule 7; and |
| **"Security Tests"** | tests to validate the ISMS and security of all relevant processes, systems, incident response plans, patches to vulnerabilities and mitigations to Breaches of Security. |

### 2. INTRODUCTION

2.1 The Parties acknowledge that the purpose of the ISMS and Security Management Plan are to ensure a good organisational approach to security under which the specific requirements of this Contract will be met.

2.2 The Parties shall each appoint a security representative to be responsible for Security. The initial security representatives of the Parties are:

2.2.1 **Supplier** - Roy Paul and Ian Ainsworth as deputy

2.2.2 **Customer** - Neil Barker

2.3 If the persons named in paragraphs 2.2.1 and 2.2.2 are included as Key Personnel, Clause 26 (Key Personnel) shall apply in relation to such persons.

2.4 The Customer shall clearly articulate its high level security requirements so that the Supplier can ensure that the ISMS, security related activities and any mitigations are driven by these fundamental needs.

2.5 Both Parties shall provide a reasonable level of access to any members of their personnel for the purposes of designing, implementing and managing security.

2.6 The Supplier shall use as a minimum Good Industry Practice in the day to day operation of any system holding, transferring or processing Customer Data and any system that could directly or indirectly have an impact on that information, and shall ensure that Customer Data remains under the effective control of the Supplier at all times.

2.7 The Supplier shall ensure the up-to-date maintenance of a security policy relating to the operation of its own organisation and systems and on request shall supply this document as soon as practicable to the Customer.

2.8 The Customer and the Supplier acknowledge that information security risks are shared between the Parties and that a compromise of either the Supplier or the Customer's security provisions represents an unacceptable risk to the Customer requiring immediate communication and co-operation between the Parties.

## 3. ISMS

3.1 The Supplier shall develop and submit to the Customer for the Customer's Approval, within twenty (20) working days after the Contract Commencement Date or such other date as agreed between the Parties, an information security management system for the purposes of this Contract , which shall comply with the requirements of paragraphs 3.3 to 3.5 of this Contract Schedule 7 (Security).

3.2 The Supplier acknowledges that the Customer places great emphasis on the reliability of the performance of the Goods and/or Services, confidentiality, integrity and availability of information and consequently on the security provided by the ISMS and that the Supplier shall be responsible for the effective performance of the ISMS.

3.3 The ISMS shall:

3.3.1 unless otherwise specified by the Customer in writing, be developed to protect all aspects of the Goods and/or Services and all processes associated with the provision of the Goods and/or Services, including the Customer Premises, the Sites, any ICT, information and data (including the Customer's Confidential Information and the Customer Data) to the extent used by the Customer or the Supplier in connection with this Contract ;

3.3.2 meet the relevant standards in ISO/IEC 27001 and ISO/IEC27002 in accordance with Paragraph 7;and

3.3.3 at all times provide a level of security which:

(a) is in accordance with the Law and this Contract ;

(b) as a minimum demonstrates Good Industry Practice;

(c) complies with the Security Policy;

(d) complies with at least the minimum set of security measures and standards as determined by the Security Policy DPS (Tiers 1-4) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255910/HMG_Security_Policy_Framework_V11.0.pdf ;

(e) takes account of guidance issued by the Centre for Protection of National Infrastructure on Risk Management http://www.cpni.gov.uk/Documents/Publications/2005/2005003-Risk_management.pdf

(f) complies with HMG Information Assurance Maturity Model and Assurance DPS http://www.cesg.gov.uk/publications/Documents/iamm-assessment-framework.pdf

(g) meets any specific security threats of immediate relevance to the Goods and/or Services and/or Customer Data; and

(h) complies with the Customer's ICT policies:

3.3.4 document the security incident management processes and incident response plans;

3.3.5 document the vulnerability management policy including processes for identification of system vulnerabilities and assessment of the potential impact on the Goods and/or Services of any new threat, vulnerability or exploitation technique of which the Supplier becomes aware; and

3.3.6 be certified by (or by a person with the direct delegated authority of) a Suppliers main board representative, being the "Chief Security Officer", "Chief Information Officer", "Chief Technical Officer" or "Chief Financial Officer" (or equivalent as agreed in writing by the Customer in advance of issue of the relevant Security Management Plan).

3.4 Subject to Clause 34 of this Contract (Security and Protection of Information) the references to Standards, guidance and policies contained or set out in paragraph 3.3 of this Contract Schedule 7 shall be deemed to be references to such items as developed and updated and to any successor to or replacement for such standards, guidance and policies, as notified to the Supplier from time to time.

3.5 In the event that the Supplier becomes aware of any inconsistency in the provisions of the standards, guidance and policies set out in paragraph 3.3 of this Contract Schedule 7, the Supplier shall immediately notify the Customer Representative of such inconsistency and the Customer Representative shall, as soon as practicable, notify the Supplier as to which provision the Supplier shall comply with.

3.6 If the ISMS submitted to the Customer pursuant to paragraph 3.1 of this Contract Schedule 7 is Approved by the Customer, it shall be adopted by the Supplier immediately and thereafter operated and maintained in accordance with this Contract Schedule 7. If the ISMS is not Approved by the Customer, the Supplier shall amend it within ten (10) Working Days of a notice of non-approval from the Customer and re-submit it to the Customer for Approval. The Parties shall use all reasonable endeavours to ensure that the Approval process takes as little time as possible and in any event no longer than fifteen (15) Working Days (or such other period as the Parties may agree in writing) from the date of the first submission of the ISMS to the Customer. If the Customer does not Approve the ISMS following its resubmission, the matter shall be resolved in accordance with the Dispute Resolution Procedure. No Approval to be given by the Customer pursuant to this paragraph 3 of this Contract Schedule 7 may be unreasonably withheld or delayed. However any failure to approve the ISMS on the grounds that it does not comply with any of the requirements set out in paragraphs 3.3 to 3.5 of this Contract Schedule 7 shall be deemed to be reasonable.

3.7 Approval by the Customer of the ISMS pursuant to paragraph 3.6 of this Contract Schedule 7 or of any change to the ISMS shall not relieve the Supplier of its obligations under this Contract Schedule 7.

## 4. SECURITY MANAGEMENT PLAN

4.1 Within twenty (20) Working Days after the Contract Commencement Date, the Supplier shall prepare and submit to the Customer for Approval in accordance

with paragraph 4 of this Contract Schedule 7 a fully developed, complete and up-to-date Security Management Plan which shall comply with the requirements of paragraph 4.2 of this Contract Schedule 7.

4.2 The Security Management Plan shall:

4.2.1 be based on the initial Security Management Plan set out in Annex 2 (Security Management Plan);

4.2.2 comply with the Security Policy;

4.2.3 identify the necessary delegated organisational roles defined for those responsible for ensuring this Contract Schedule 7 is complied with by the Supplier;

4.2.4 detail the process for managing any security risks from Sub-Contractors and third parties authorised by the Customer with access to the Goods and/or Services, processes associated with the delivery of the Goods and/or Services, the Customer Premises, the Sites and any ICT, Information and data (including the Customer's Confidential Information and the Customer Data) and any system that could directly or indirectly have an impact on that information, data and/or the Goods and/or Services;

4.2.5 unless otherwise specified by the Customer in writing, be developed to protect all aspects of the Goods and/or Services and all processes associated with the delivery of the Goods and/or Services, including the Customer Premises, the Sites and any ICT, Information and data (including the Customer's Confidential Information and the Customer Data) to the extent used by the Customer or the Supplier in connection with this Contract or in connection with any system that could directly or indirectly have an impact on that Information, data and/or the Goods and/or Services;

4.2.6 set out the security measures to be implemented and maintained by the Supplier in relation to all aspects of the Goods and/or Services and all processes associated with the delivery of the Goods and/or Services and at all times comply with and specify security measures and procedures which are sufficient to ensure that the Goods and/or Services comply with the provisions of this Contract Schedule 7 (including the requirements set out in paragraph 3.3 of this Contract Schedule 7);

4.2.7 set out the plans for transitioning all security arrangements and responsibilities from those in place at the Contract Commencement Date to those incorporated in the ISMS within the timeframe agreed between the Parties .

4.2.8 be structured in accordance with ISO/IEC27001 and ISO/IEC27002, cross-referencing if necessary to other Schedules which cover specific areas included within those standards; and

4.2.9 be written in plain English in language which is readily comprehensible to the staff of the Supplier and the Customer engaged in the Goods and/or Services and shall reference only documents which are in the possession of the Parties or whose location is otherwise specified in this Contract Schedule 7 .

4.3 If the Security Management Plan submitted to the Customer pursuant to paragraph 3.1 of this Contract Schedule 7 is Approved by the Customer, it shall

be adopted by the Supplier immediately and thereafter operated and maintained in accordance with this Contract Schedule 7. If the Security Management Plan is not approved by the Customer, the Supplier shall amend it within ten (10) Working Days of a notice of non-approval from the Customer and re-submit it to the Customer for Approval. The Parties shall use all reasonable endeavours to ensure that the Approval process takes as little time as possible and in any event no longer than fifteen (15) Working Days (or such other period as the Parties may agree in writing) from the date of the first submission to the Customer of the Security Management Plan. If the Customer does not Approve the Security Management Plan following its resubmission, the matter shall be resolved in accordance with the Dispute Resolution Procedure. No Approval to be given by the Customer pursuant to this paragraph may be unreasonably withheld or delayed. However any failure to approve the Security Management Plan on the grounds that it does not comply with the requirements set out in paragraph 4.2 of this Contract Schedule 7 shall be deemed to be reasonable.

4.4 Approval by the Customer of the Security Management Plan pursuant to paragraph 4.3 of this Contract Schedule 7 or of any change or amendment to the Security Management Plan shall not relieve the Supplier of its obligations under this Contract Schedule 7.

## 5. AMENDMENT AND REVISION OF THE ISMS AND SECURITY MANAGEMENT PLAN

5.1 The ISMS and Security Management Plan shall be fully reviewed and updated by the Supplier and at least annually to reflect:

5.1.1 emerging changes in Good Industry Practice;

5.1.2 any change or proposed change to Goods and/or Services and/or associated processes;

5.1.3 any changes to the Security Policy;

5.1.4 any new perceived or changed security threats; and

5.1.5 any reasonable change in requirement requested by the Customer.

5.2 The Supplier shall provide the Customer with the results of such reviews as soon as reasonably practicable after their completion and amend the ISMS and Security Management Plan at no additional cost to the Customer. The results of the review shall include, without limitation:

5.2.1 suggested improvements to the effectiveness of the ISMS;

5.2.2 updates to the risk assessments;

5.2.3 proposed modifications to respond to events that may impact on the ISMS including the security incident management process, incident response plans and general procedures and controls that affect information security; and

5.2.4 suggested improvements in measuring the effectiveness of controls.

5.3 Subject to paragraph 5.4 of this Contract Schedule 7, any change which the Supplier proposes to make to the ISMS or Security Management Plan (as a result of a review carried out pursuant to paragraph 5.1 of this Contract Schedule 7, a Customer request, a change to Annex 1 (Security) or otherwise) shall be subject to the Variation Procedure and shall not be implemented until Approved in writing by the Customer.

5.4 The Customer may, where it is reasonable to do so, Approve and require changes or amendments to the ISMS or Security Management Plan to be implemented on timescales faster than set out in the Variation Procedure but, without prejudice to their effectiveness, all such changes and amendments shall thereafter be subject to the Variation Procedure for the purposes of formalising and documenting the relevant change or amendment for the purposes of this Contract.

## 6. SECURITY TESTING

6.1 The Supplier shall conduct Security Tests from time to time (and at least annually across the scope of the ISMS) and additionally after any change or amendment to the ISMS (including security incident management processes and incident response plans) or the Security Management Plan. Security Tests shall be designed and implemented by the Supplier so as to minimise the impact on the delivery of the Goods and/or Services and the date, timing, content and conduct of such Security Tests shall be agreed in advance with the Customer. Subject to compliance by the Supplier with the foregoing requirements, if any Security Tests adversely affect the Suppliers ability to deliver the Goods and/or Services so as to meet the Service Level Performance Measures, the Supplier shall be granted relief against any resultant under-performance for the period of the Security Tests.

6.2 The Customer shall be entitled to send a representative to witness the conduct of the Security Tests. The Supplier shall provide the Customer with the results of such Security Tests (in a form approved by the Customer in advance) as soon as practicable after completion of each Security Test.

6.3 Without prejudice to any other right of audit or access granted to the Customer pursuant to this Contract, the Customer and/or its authorised representatives shall be entitled, at any time upon giving reasonable notice to the Supplier, to carry out such tests (including penetration tests) as it may deem necessary in relation to the ISMS and the Suppliers compliance with the ISMS and the Security Management Plan. The Customer may notify the Supplier of the results of such tests after completion of each such test. If any such Customer's test adversely affects the Suppliers ability to deliver the Goods and/or Services so as to meet the Target Performance Levels, the Supplier shall be granted relief against any resultant under-performance for the period of the Customer's test.

6.4 Where any Security Test carried out pursuant to paragraphs 6.2 or 6.3 of this Contract Schedule 7 reveals any actual or potential Breach of Security or weaknesses (including un-patched vulnerabilities, poor configuration and/or incorrect system management), the Supplier shall promptly notify the Customer of any changes to the ISMS and to the Security Management Plan (and the implementation thereof) which the Supplier proposes to make in order to correct such failure or weakness. Subject to the Customer's prior written Approval, the Supplier shall implement such changes to the ISMS and the Security Management Plan and repeat the relevant Security Tests in accordance with the timetable agreed with the Customer or, otherwise, as soon as reasonably possible. For the avoidance of doubt, where the change to the ISMS or Security Management Plan is to address a non-compliance with the Security Policy or security requirements (as set out in Annex 1 (Security) to this Contract Schedule 7) or the requirements of this Contract Schedule 7, the change to the ISMS or Security Management Plan shall be at no cost to the Customer.

6.5 If any repeat Security Test carried out pursuant to paragraph 6.4 of this Contract Schedule 7 reveals an actual or potential Breach of Security exploiting the same root cause failure, such circumstance shall constitute a material Default of this Contract.

## 7. ISMS COMPLIANCE

7.1 The Customer shall be entitled to carry out such security audits as it may reasonably deem necessary in order to ensure that the ISMS maintains compliance with the principles and practices of ISO 27001 and/or the Security Policy.

7.2 If, on the basis of evidence provided by such security audits, it is the Customer's reasonable opinion that compliance with the principles and practices of ISO/IEC 27001 and/or the Security Policy are not being achieved by the Supplier, then the Customer shall notify the Supplier of the same and give the Supplier a reasonable time (having regard to the extent and criticality of any non-compliance and any other relevant circumstances) to implement and remedy. If the Supplier does not become compliant within the required time then the Customer shall have the right to obtain an independent audit against these standards in whole or in part.

7.3 If, as a result of any such independent audit as described in paragraph 7.2 of this Contract Schedule 7 the Supplier is found to be non-compliant with the principles and practices of ISO/IEC 27001 and/or the Security Policy then the Supplier shall, at its own expense, undertake those actions required in order to achieve the necessary compliance and shall reimburse in full the costs incurred by the Customer in obtaining such audit.

## 8. BREACH OF SECURITY

8.1 Either Party shall notify the other in accordance with the agreed security incident management process as defined by the ISMS upon becoming aware of any breach of security or any potential or attempted Breach of Security.

8.2 Without prejudice to the security incident management process, upon becoming aware of any of the circumstances referred to in paragraph 8.1 of this Contract Schedule 7, the Supplier shall:

8.2.1 immediately take all reasonable steps (which shall include any action or changes reasonably required by the Customer) necessary to:

(a) minimise the extent of actual or potential harm caused by any Breach of Security;

(b) remedy such Breach of Security or any potential or attempted Breach of Security in order to protect the integrity of the Customer Property and/or Customer Assets and/or ISMS to the extent that this within the Suppliers control;

(c) apply a tested mitigation against any such Breach of Security or attempted Breach of Security and provided that reasonable testing has been undertaken by the Supplier, if the mitigation adversely affects the Suppliers ability to provide the Goods and/or Services so as to meet the relevant Service Level Performance Measures, the Supplier shall be granted relief against any resultant under-performance for such period as the

Customer, acting reasonably, may specify by written notice to the Supplier;

(d) prevent a further Breach of Security or any potential or attempted Breach of Security in the future exploiting the same root cause failure;

(e) supply any requested data to the Customer (or the Computer Emergency Response Team for UK Government ("GovCertUK")) on the Customer's request within two (2) Working Days and without charge (where such requests are reasonably related to a possible incident or compromise); and

(f) as soon as reasonably practicable provide to the Customer full details (using the reporting mechanism defined by the ISMS) of the Breach of Security or the potential or attempted Breach of Security, including a root cause analysis where required by the Customer.

8.3 In the event that any action is taken in response to a Breach of Security or potential or attempted Breach of Security that demonstrates non-compliance of the ISMS with the Security Policy or the requirements of this Contract Schedule 7, then any required change to the ISMS shall be at no cost to the Customer.

## ANNEX 1: SECURITY POLICY

REDACTED

## ANNEX 2: SECURITY MANAGEMENT PLAN

- Security shall be managed in line with Annex C - base line security standard
- Comply with all security requirements specified in the advertised Appendix B statement of requirements and subsequent Schedule 2 : Annex 1, Services.
- Comply with all the terms and conditions of the non disclosure agreement issued as part of the original invitation to tender.

## CONTRACT SCHEDULE 8: BUSINESS CONTINUITY AND DISASTER RECOVERY

### 1. DEFINITIONS

1.1 In this Contract Schedule 8, the following definitions shall apply:

| | |
|---|---|
| **"Business Continuity Plan"** | has the meaning given to it in paragraph 2.2.1(b) of this Contract Schedule 8; |
| **"Disaster Recovery Plan"** | has the meaning given to it in 2.2.1(c) of this Contract Schedule 8; |
| **"Disaster Recovery System"** | means the system embodied in the processes and procedures for restoring the provision of Goods and/or Services following the occurrence of a disaster; |
| **"Review Report"** | has the meaning given to it in paragraph 6.2 of this Contract Schedule 8; |
| **"Suppliers Proposals"** | has the meaning given to it in paragraph 6.2.3 of this Contract Schedule 8; |

### 2. BCDR PLAN

2.1 Within [thirty] [30] Working Days from the Contract Commencement Date the Supplier shall prepare and deliver to the Customer for the Customer's written approval a plan, which shall detail the processes and arrangements that the Supplier shall follow to:

2.1.1 ensure continuity of the business processes and operations supported by the Services following any failure or disruption of any element of the Goods and/or Services; and

2.1.2 the recovery of the Goods and/or Services in the event of a Disaster.

2.2 The BCDR Plan shall:

2.2.1 be divided into three parts:

(a) Part A which shall set out general principles applicable to the BCDR Plan;

(b) Part B which shall relate to business continuity (the **"Business Continuity Plan"**); and

(c) Part C which shall relate to disaster recovery (the **"Disaster Recovery Plan"**); and

2.2.2 unless otherwise required by the Customer in writing, be based upon and be consistent with the provisions of paragraphs 3, 4 and 5.

2.3 Following receipt of the draft BCDR Plan from the Supplier, the Customer shall:

2.3.1 review and comment on the draft BCDR Plan as soon as reasonably practicable; and

2.3.2 notify the Supplier in writing that it approves or rejects the draft BCDR Plan no later than twenty (20) Working Days after the date on which the draft BCDR Plan is first delivered to the Customer.

2.4 If the Customer rejects the draft BCDR Plan:

2.4.1 the Customer shall inform the Supplier in writing of its reasons for its rejection; and

2.4.2 the Supplier shall then revise the draft BCDR Plan (taking reasonable account of the Customer's comments) and shall re-submit a revised draft BCDR Plan to the Customer for the Customer's approval within twenty (20) Working Days of the date of the Customer's notice of rejection. The provisions of paragraphs 2.3 and 2.4 of this Contract Schedule 8 shall apply again to any resubmitted draft BCDR Plan, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.

## 3. PART A OF THE BCDR PLAN AND GENERAL PRINCIPLES AND REQUIREMENTS

3.1 Part A of the BCDR Plan shall:

3.1.1 set out how the business continuity and disaster recovery elements of the BCDR Plan link to each other;

3.1.2 provide details of how the invocation of any element of the BCDR Plan may impact upon the operation of the provision of the Goods and/or Services and any goods and/or services provided to the Customer by a Related Supplier;

3.1.3 contain an obligation upon the Supplier to liaise with the Customer and (at the Customer's request) any Related Suppliers with respect to issues concerning business continuity and disaster recovery where applicable;

3.1.4 detail how the BCDR Plan links and interoperates with any overarching and/or connected disaster recovery or business continuity plan of the Customer and any of its other Related Supplier in each case as notified to the Supplier by the Customer from time to time;

3.1.5 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 Customer;

3.1.6 contain a risk analysis, including:

(a) failure or disruption scenarios and assessments and estimates of frequency of occurrence;

(b) identification of any single points of failure within the provision of Goods and/or Services and processes for managing the risks arising therefrom;

(c) identification of risks arising from the interaction of the provision of Goods and/or Services and with the goods and/or services provided by a Related Supplier; and

(d) a business impact analysis (detailing the impact on business processes and operations) of different anticipated failures or disruptions;

3.1.7 provide for documentation of processes, including business processes, and procedures;

3.1.8 set out key contact details (including roles and responsibilities) for the Supplier (and any Sub-Contractors) and for the Customer;

3.1.9 identify the procedures for reverting to “normal service”;

3.1.10 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;

3.1.11 identify the responsibilities (if any) that the Customer has agreed it will assume in the event of the invocation of the BCDR Plan; and

3.1.12 provide for the provision of technical advice and assistance to key contacts at the Customer as notified by the Customer from time to time to inform decisions in support of the Customer’s business continuity plans.

3.2 The BCDR Plan shall be designed so as to ensure that:

3.2.1 the Goods and/or Services are provided in accordance with this Contract at all times during and after the invocation of the BCDR Plan;

3.2.2 the adverse impact of any Disaster, service failure, or disruption on the operations of the Customer is minimal as far as reasonably possible;

3.2.3 it complies with the relevant provisions of [ISO/IEC 27002] and all other industry standards from time to time in force; and

3.2.4 there is a process for the management of disaster recovery testing detailed in the BCDR Plan.

3.3 The BCDR Plan shall be upgradeable and sufficiently flexible to support any changes to the Goods and/or Services or to the business processes facilitated by and the business operations supported by the provision of Goods and/or Services.

3.4 The Supplier shall not be entitled to any relief from its obligations under the Service Levels 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 Contract.

## 4. BUSINESS CONTINUITY PLAN - 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 provision of Goods and/or Services remain supported and to ensure continuity of the business operations supported by the Services including, unless the Customer expressly states otherwise in writing:

4.1.1 the alternative processes (including business processes), options and responsibilities that may be adopted in the event of a failure in or disruption to the provision of Goods and/or Services; and

4.1.2 the steps to be taken by the Supplier upon resumption of the provision of Goods and/or 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:

4.2.1 address the various possible levels of failures of or disruptions to the provision of Goods and/or Services;

4.2.2 set out the goods and/or services to be provided and the steps to be taken to remedy the different levels of failures of and disruption to the Goods and/or Services (such goods and/or services and steps, the "**Business Continuity Goods and/or Services**");

4.2.3 specify any applicable Service Levels with respect to the provision of the Business Continuity Services and details of any agreed relaxation to the Service Levels in respect of the provision of other Goods and/or Services during any period of invocation of the Business Continuity Plan; and

4.2.4 clearly set out the conditions and/or circumstances under which the Business Continuity Plan is invoked.

## 5. DISASTER RECOVERY PLAN - 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 Customer 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:

5.3.1 the technical design and build specification of the Disaster Recovery System;

5.3.2 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:

(a) data centre and disaster recovery site audits;

(b) backup methodology and details of the Suppliers approach to data back-up and data verification;

(c) identification of all potential disaster scenarios;

(d) risk analysis;

(e) documentation of processes and procedures;

(f) hardware configuration details;

(g) network planning including details of all relevant data networks and communication links;

(h) invocation rules;

(i) Service recovery procedures; and

(j) steps to be taken upon resumption of the provision of Goods and/or Services to address any prevailing effect of the failure or disruption of the provision of Goods and/or Services;

5.3.3 any applicable Service Levels with respect to the provision of the Disaster Recovery Services and details of any agreed relaxation to the

Service Levels in respect of the provision of other Goods and/or Services during any period of invocation of the Disaster Recovery Plan;

5.3.4 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;

5.3.5 access controls to any disaster recovery sites used by the Supplier in relation to its obligations pursuant to this Schedule 8; and

5.3.6 testing and management arrangements.

## 6. REVIEW AND AMENDMENT OF THE BCDR PLAN

6.1 The Supplier shall review the BCDR Plan (and the risk analysis on which it is based):

6.1.1 on a regular basis and as a minimum once every six (6) Months;

6.1.2 within three calendar months of the BCDR Plan (or any part) having been invoked pursuant to paragraph 7; and

6.1.3 where the Customer requests any additional reviews (over and above those provided for in paragraphs 6.1.1and 6.1.2 of this Contract Schedule 8) by notifying the Supplier to such effect in writing, whereupon the Supplier shall conduct such reviews in accordance with the Customer's written requirements. Prior to starting its review, the Supplier shall provide an accurate written estimate of the total costs payable by the Customer for the Customer's approval. The costs of both Parties of any such additional reviews shall be met by the Customer except that the Supplier shall not be entitled to charge the Customer for any costs that it may incur above any estimate without the Customer's prior written approval.

6.2 Each review of the BCDR Plan pursuant to paragraph 6.1 of this Contract Schedule 8 shall be a review of the procedures and methodologies set out in the BCDR Plan and shall assess their suitability having regard to any change to the Goods and/or 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 BCDR Plan or the last review of the BCDR 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 BCDR Plan. The review shall be completed by the Supplier within the period required by the BCDR Plan or, if no such period is required, within such period as the Customer shall reasonably require. The Supplier shall, within twenty (20) Working Days of the conclusion of each such review of the BCDR Plan, provide to the Customer a report (a **"Review Report"**) setting out:

6.2.1 the findings of the review;

6.2.2 any changes in the risk profile associated with the provision of Goods and/or Services; and

6.2.3 the Suppliers proposals (the **"Suppliers Proposals"**) for addressing any changes in the risk profile and its proposals for amendments to the BCDR 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 goods, services or systems provided by a third party.

6.3 Following receipt of the Review Report and the Suppliers Proposals, the Customer shall:

6.3.1 review and comment on the Review Report and the Suppliers Proposals as soon as reasonably practicable; and

6.3.2 notify the Supplier in writing that it approves or rejects the Review Report and the Suppliers Proposals no later than twenty (20) Working Days after the date on which they are first delivered to the Customer.

6.4 If the Customer rejects the Review Report and/or the Suppliers Proposals:

6.4.1 the Customer shall inform the Supplier in writing of its reasons for its rejection; and

6.4.2 the Supplier shall then revise the Review Report and/or the Suppliers Proposals as the case may be (taking reasonable account of the Customer's comments and carrying out any necessary actions in connection with the revision) and shall re-submit a revised Review Report and/or revised Suppliers Proposals to the Customer for the Customer's approval within twenty (20) Working Days of the date of the Customer's notice of rejection. The provisions of paragraphs 6.3 and 6.4 of this Contract Schedule 8 shall apply again to any resubmitted Review Report and Suppliers Proposals, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.

6.5 The Supplier shall as soon as is reasonably practicable after receiving the Customer's approval of the Suppliers 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 Suppliers Proposals. Any such change shall be at the Suppliers expense unless it can be reasonably shown that the changes are required because of a material change to the risk profile of the Goods and/or Services.

## 7. TESTING OF THE BCDR PLAN

7.1 The Supplier shall test the BCDR Plan on a regular basis (and in any event not less than once in every Contract Year). Subject to paragraph 7.2 of this Contract Schedule 8, the Customer may require the Supplier to conduct additional tests of some or all aspects of the BCDR Plan at any time where the Customer considers it necessary, including where there has been any change to the Goods and/or Services or any underlying business processes, or on the occurrence of any event which may increase the likelihood of the need to implement the BCDR Plan.

7.2 If the Customer requires an additional test of the BCDR Plan, it shall give the Supplier written notice and the Supplier shall conduct the test in accordance with the Customer's requirements and the relevant provisions of the BCDR Plan. The Suppliers costs of the additional test shall be borne by the Customer unless the BCDR Plan fails the additional test in which case the Suppliers costs of that failed test shall be borne by the Supplier.

7.3 The Supplier shall undertake and manage testing of the BCDR Plan in full consultation with the Customer and shall liaise with the Customer in respect of the planning, performance, and review, of each test, and shall comply with the

reasonable requirements of the Customer in this regard. Each test shall be carried out under the supervision of the Customer or its nominee.

7.4 The Supplier shall ensure that any use by it or any Sub-Contractor of “live” data in such testing is first approved with the Customer. Copies of live test data used in any such testing shall be (if so required by the Customer) destroyed or returned to the Customer on completion of the test.

7.5 The Supplier shall, within twenty (20) Working Days of the conclusion of each test, provide to the Customer a report setting out:

7.5.1 the outcome of the test;

7.5.2 any failures in the BCDR Plan (including the BCDR Plan's procedures) revealed by the test; and

7.5.3 the Suppliers proposals for remedying any such failures.

7.6 Following each test, the Supplier shall take all measures requested by the Customer, (including requests for the re-testing of the BCDR Plan) to remedy any failures in the BCDR Plan and such remedial activity and re-testing shall be completed by the Supplier, at no additional cost to the Customer, by the date reasonably required by the Customer and set out in such notice.

7.7 For the avoidance of doubt, the carrying out of a test of the BCDR Plan (including a test of the BCDR Plan’s procedures) shall not relieve the Supplier of any of its obligations under this Contract.

7.8 The Supplier shall also perform a test of the BCDR Plan in the event of any major reconfiguration of the Goods and/or Services or as otherwise reasonably requested by the Customer.

## 8. INVOCATION OF THE BCDR PLAN

8.1 In the event of a complete loss of service or in the event of a Disaster, the Supplier shall immediately invoke the BCDR Plan (and shall inform the Customer promptly of such invocation). In all other instances the Supplier shall invoke or test the BCDR Plan only with the prior consent of the Customer.

## CONTRACT SCHEDULE 9: EXIT MANAGEMENT

### 1. DEFINITIONS

1.1 In this Contract Schedule 9, the following definitions shall apply:

| | |
|---|---|
| **"Exclusive Assets"** | means those Supplier Assets used by the Supplier or a Key Sub-Contractor which are used exclusively in the provision of the Goods and/or Services; |
| **"Exit Information"** | has the meaning given to it in paragraph 4.1 of this Contract Schedule 9; |
| **"Exit Manager"** | means the person appointed by each Party pursuant to paragraph 3.4 of this Contract Schedule 9 for managing the Parties' respective obligations under this Contract Schedule 9; |
| **"Net Book Value"** | means the net book value of the relevant Supplier 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 Costumer of even date with this Contract ; |
| **"Non-Exclusive Assets"** | means those Supplier Assets (if any) which are used by the Supplier or a Key Sub-Contractor in connection with the Goods and/or Services but which are also used by the Supplier or Key Sub-Contractor for other purposes; |
| **"Registers"** | means the register and configuration database referred to in paragraphs 3.1.1 and 3.1.2 of this Contract Schedule 9; |
| **"Termination Assistance"** | means the activities to be performed by the Supplier pursuant to the Exit Plan, and any other assistance required by the Customer pursuant to the Termination Assistance Notice; |
| **"Termination Assistance Notice"** | has the meaning given to it in paragraph 6.1 of this Contract Schedule 9; |
| **"Termination Assistance Period"** | means 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 Assistance as such period may be extended pursuant to paragraph 6.2 of this Contract Schedule 9; |
| **"Transferable Assets"** | means those of the Exclusive Assets which are capable of legal transfer to the Customer; |
| **"Transferable Contracts"** | means the Sub-Contracts, licences for |

| | |
|---|---|
| | Supplier Background IPR, Project Specific IPR, licences for Third Party IPR or other agreements which are necessary to enable the Customer or any Replacement Supplier to provide the Goods and/or Services or the Replacement Goods and/or Replacement Services, including in relation to licences all relevant Documentation; |
| **"Transferring Assets"** | has the meaning given to it in paragraph 9.2.1 of this Contract Schedule 9; |
| **"Transferring Contracts"** | has the meaning given to it in paragraph 9.2.3 of this Contract Schedule 9. |

## 2. INTRODUCTION

2.1 This Contract Schedule 9 describes provisions that should be included in the Exit Plan, the duties and responsibilities of the Supplier to the Customer leading up to and covering the Contract Expiry Date and the transfer of service provision to the Customer and/or a Replacement Supplier.

2.2 The objectives of the exit planning and service transfer arrangements are to ensure a smooth transition of the availability of the Goods and/or Services from the Supplier to the Customer and/or a Replacement Supplier at the Contract Expiry Date.

## 3. OBLIGATIONS DURING THE CONTRACT PERIOD TO FACILITATE EXIT

3.1 During the Contract Period, the Supplier shall:

3.1.1 create and maintain a Register of all:

(a) Supplier 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 Goods and/or Services;

3.1.2 create and maintain a configuration database detailing the technical infrastructure and operating procedures through which the Supplier provides the Goods and/or Services, which shall contain sufficient detail to permit the Customer and/or Replacement Supplier to understand how the Supplier provides the Goods and/or Services and to enable the smooth transition of the Goods and/or Services with the minimum of disruption;

3.1.3 agree the format of the Registers with the Customer as part of the process of agreeing the Exit Plan; and

3.1.4 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 Goods and/or Services.

3.2 The Supplier shall:

3.2.1 procure that all Exclusive Assets listed in the Registers are clearly marked to identify that they are exclusively used for the provision of the Goods and/or Goods and/or Services under this Contract ; and

3.2.2 (unless otherwise agreed by the Customer in writing) procure that all licences for Third Party IPR and all Sub-Contracts shall be assignable and/or capable of novation at the request of the Customer to the Customer (and/or its nominee) and/or any Replacement Supplier upon the Supplier ceasing to provide the Goods and/or Services (or part of them) without restriction (including any need to obtain any consent or approval) or payment by the Customer.

3.3 Where the Supplier is unable to procure that any Sub-Contract or other agreement referred to in paragraph 3.2.2 of this Contract Schedule 9 which the Supplier proposes to enter into after the Contract Commencement Date is assignable and/or capable of novation to the Customer (and/or its nominee) and/or any Replacement Supplier without restriction or payment, the Supplier shall promptly notify the Customer of this and the Parties shall (acting reasonably and without undue delay) discuss the appropriate action to be taken which, where the Customer so directs, may include the Supplier seeking an alternative Sub-Contractor or provider of goods and/or services to which the relevant agreement relates.

3.4 Each Party shall appoint a person for the purposes of managing the Parties' respective obligations under this Contract Schedule 9 and provide written notification of such appointment to the other Party within three (3) Months of the Contract Commencement Date. The Suppliers Exit Manager shall be responsible for ensuring that the Supplier and its employees, agents and Sub-Contractors comply with this Contract Schedule 9. 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 Contract Schedule 9. The Parties' Exit Managers will liaise with one another in relation to all issues relevant to the termination of this Contract and all matters connected with this Contract Schedule 9 and each Party's compliance with it.

## 4. OBLIGATIONS TO ASSIST ON RE-TENDERING OF GOODS AND/OR SERVICES

4.1 On reasonable notice at any point during the Contract Period, the Supplier shall provide to the Customer and/or its potential Replacement Suppliers (subject to the potential Replacement Suppliers entering into reasonable written confidentiality undertakings), the following material and information in order to facilitate the preparation by the Customer of any invitation to tender and/or to facilitate any potential Replacement Suppliers undertaking due diligence:

4.1.1 details of the Service(s);

4.1.2 a copy of the Registers, updated by the Supplier up to the date of delivery of such Registers;

4.1.3 an inventory of Customer Data in the Suppliers possession or control;

4.1.4 details of any key terms of any third party contracts and licences, particularly as regards charges, termination, assignment and novation;

4.1.5 a list of on-going and/or threatened disputes in relation to the provision of the Goods and/or Services;

4.1.6 all information relating to Transferring Supplier Employees required to be provided by the Supplier under this Contract ; and

4.1.7 such other material and information as the Customer shall reasonably require,

(together, the "**Exit Information**").

4.2 The Supplier acknowledges that the Customer may disclose the Suppliers Confidential Information to an actual or prospective Replacement Supplier or any third party whom the Customer is considering engaging to the extent that such disclosure is necessary in connection with such engagement (except that the Customer may not under this paragraph 4.2 of this Contract Schedule 9 disclose any Suppliers Confidential Information which is information relating to the Suppliers or its Sub-Contractors' prices or costs).

4.3 The Supplier shall:

4.3.1 notify the Customer within five (5) Working Days of any material change to the Exit Information which may adversely impact upon the provision of any Goods and/or Services and shall consult with the Customer regarding such proposed material changes; and

4.3.2 provide complete updates of the Exit Information on an as-requested basis as soon as reasonably practicable and in any event within ten (10) Working Days of a request in writing from the Customer.

4.4 The Supplier may charge the Customer for its reasonable additional costs to the extent the Customer requests more than four (4) updates in any six (6) month period.

4.5 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:

4.5.1 prepare an informed offer for those Goods and/or Services; and

4.5.2 not be disadvantaged in any subsequent procurement process compared to the Supplier (if the Supplier is invited to participate).

## 5. EXIT PLAN

5.1 The Supplier shall, within three (3) Months after the Contract Commencement Date, deliver to the Customer an Exit Plan which:

5.1.1 sets out the Suppliers proposed methodology for achieving an orderly transition of the Goods and/or Services from the Supplier to the Customer and/or its Replacement Supplier on the expiry or termination of this Contract ;

5.1.2 complies with the requirements set out in paragraph 5.3 of this Contract Schedule 9;

5.1.3 is otherwise reasonably satisfactory to the Customer.

5.2 The Parties shall use reasonable endeavours to agree the contents of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within twenty (20) Working Days of its submission, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.

5.3 Unless otherwise specified by the Customer or Approved, the Exit Plan shall set out, as a minimum:

5.3.1 how the Exit Information is obtained;

5.3.2 the management structure to be employed during both transfer and cessation of the Goods and/or Services;

5.3.3 the management structure to be employed during the Termination Assistance Period;

5.3.4 a detailed description of both the transfer and cessation processes, including a timetable;

5.3.5 how the Goods and/or Services will transfer to the Replacement Supplier and/or the Customer, including details of the processes, documentation, data transfer, systems migration, security and the segregation of the Customer's technology components from any technology components operated by the Supplier or its Sub-Contractors (where applicable);

5.3.6 details of contracts (if any) which will be available for transfer to the Customer and/or the Replacement Supplier upon the Contract Expiry Date together with any reasonable costs required to effect such transfer (and the Supplier agrees that all assets and contracts used by the Supplier in connection with the provision of the Goods and/or Services will be available for such transfer);

5.3.7 proposals for the training of key members of the Replacement Suppliers personnel in connection with the continuation of the provision of the Goods and/or Services following the Contract Expiry Date charged at rates agreed between the Parties at that time;

5.3.8 proposals for providing the Customer or a Replacement Supplier copies of all documentation:

(a) used in the provision of the Goods and/or Services and necessarily required for the continued use thereof, in which the Intellectual Property Rights are owned by the Supplier; and

(b) relating to the use and operation of the Goods and/or Services;

5.3.9 proposals for the assignment or novation of the provision of all services, leases, maintenance agreements and support agreements utilised by the Supplier in connection with the performance of the supply of the Goods and/or Services;

5.3.10 proposals for the identification and return of all Customer Property in the possession of and/or control of the Supplier or any third party (including any Sub-Contractor);

5.3.11 proposals for the disposal of any redundant Goods and/or Services and materials;

5.3.12 procedures to deal with requests made by the Customer and/or a Replacement Supplier for Staffing Information pursuant to Contract Schedule 10 (Staff Transfer);

5.3.13 how each of the issues set out in this Contract Schedule 9 will be addressed to facilitate the transition of the Goods and/or Services from the Supplier to the Replacement Supplier and/or the Customer with the aim of ensuring that there is no disruption to or degradation of the Goods and/or Services during the Termination Assistance Period; and

5.3.14 proposals for the supply of any other information or assistance reasonably required by the Customer or a Replacement Supplier in order to effect an orderly handover of the provision of the Goods and/or Services.

## 6. TERMINATION ASSISTANCE

6.1 The Customer shall be entitled to require the provision of Termination Assistance at any time during the Contract Period by giving written notice to the Supplier (a **"Termination Assistance Notice"**) at least four (4) Months prior to the Contract Expiry Date or as soon as reasonably practicable (but in any event, not later than one (1) month) following the service by either Party of a Termination Notice. The Termination Assistance Notice shall specify:

6.1.1 the date from which Termination Assistance is required;

6.1.2 the nature of the Termination Assistance required; and

6.1.3 the period during which it is anticipated that Termination Assistance will be required, which shall continue no longer than twelve (12) Months after the date that the Supplier ceases to provide the Goods and/or Services.

6.2 The Customer shall have an option to extend the Termination Assistance Period beyond the period specified in the Termination Assistance Notice provided that such extension shall not extend for more than six (6) Months after the date the Supplier ceases to provide the Goods and/or 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 twenty (20) Working Days prior to the date on which the provision of Termination Assistance is otherwise due to expire. The Customer shall have the right to terminate its requirement for Termination Assistance by serving not less than (20) Working Days' written notice upon the Supplier to such effect.

## 7. TERMINATION ASSISTANCE PERIOD

7.1 Throughout the Termination Assistance Period, or such shorter period as the Customer may require, the Supplier shall:

7.1.1 continue to provide the Goods and/or Services (as applicable) and, if required by the Customer pursuant to paragraph 6.1 of this Contract Schedule 9, provide the Termination Assistance;

7.1.2 in addition to providing the Goods and/or Services and the Termination Assistance, provide to the Customer any reasonable assistance requested by the Customer to allow the Goods and/or Services to continue without interruption following the termination or expiry of this Contract and to facilitate the orderly transfer of responsibility for and conduct of the Goods and/or Services to the Customer and/or its Replacement Supplier;

7.1.3 use all reasonable endeavours to reallocate resources to provide such assistance as is referred to in paragraph 7.1.2 of this Contract Schedule 9 without additional costs to the Customer;

7.1.4 provide the Goods and/or Services and the Termination Assistance at no detriment to the Service Level Performance Measures, save to the extent that the Parties agree otherwise in accordance with paragraph 7.3; and

7.1.5 at the Customer's request and on reasonable notice, deliver up-to-date Registers to the Customer.

7.2 Without prejudice to the Suppliers obligations under paragraph 7.1.3 of this Contract Schedule 9, if it is not possible for the Supplier to reallocate resources to provide such assistance as is referred to in paragraph 7.1.2 of this Contract Schedule 9 without additional costs to the Customer, any additional costs incurred by the Supplier in providing such reasonable assistance which is not already in the scope of the Termination Assistance or the Exit Plan shall be subject to the Variation Procedure.

7.3 If the Supplier demonstrates to the Customer's reasonable satisfaction that transition of the Goods and/or Services and provision of the Termination Assist during the Termination Assistance Period will have a material, unavoidable adverse effect on the Suppliers ability to meet one or more particular Service Level Performance Measure(s), the Parties shall vary the relevant Service Level Performance Measure(s) and/or the applicable Service Credits to take account of such adverse effect.

## 8. TERMINATION OBLIGATIONS

8.1 The Supplier shall comply with all of its obligations contained in the Exit Plan.

8.2 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 Suppliers performance of the Goods and/or Services and the Termination Assistance and its compliance with the other provisions of this Contract Schedule 9), the Supplier shall:

8.2.1 cease to use the Customer Data;

8.2.2 provide the Customer and/or the Replacement Supplier with a complete and uncorrupted version of the Customer Data in electronic form (or such other format as reasonably required by the Customer);

8.2.3 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 Customer Data and promptly certify to the Customer that it has completed such deletion;

8.2.4 return to the Customer such of the following as is in the Suppliers possession or control:

(a) all materials created by the Supplier under this Contract in which the IPRs are owned by the Customer;

(b) any equipment which belongs to the Customer;

(c) any items that have been on-charged to the Customer, such as consumables; and

(d) all Customer Property issued to the Supplier under Clause 31 of this Contract (Customer Property). Such Customer Property shall be handed back to the Customer in good working order (allowance shall be made only for reasonable wear and tear);

(e) any sums prepaid by the Customer in respect of Goods and/or Services not Delivered by the Contract Expiry Date;

8.2.5 vacate any Customer Premises;

8.2.6 remove the Supplier Equipment together with any other materials used by the Supplier to supply the Goods and/or Services and shall leave the Sites in a clean, safe and tidy condition. The Supplier is solely responsible for making good any damage to the Sites or any objects contained thereon, other than fair wear and tear, which is caused by the Supplier and/or any Supplier Personnel;

8.2.7 provide access during normal working hours to the Customer and/or the Replacement Supplier for up to twelve (12) Months after expiry or termination to:

(a) such information relating to the Goods and/or Services as remains in the possession or control of the Supplier; and

(b) such members of the Supplier Personnel as have been involved in the design, development and provision of the Goods and/or Services and who are still employed by the Supplier, provided that the Customer and/or the Replacement Supplier shall pay the reasonable costs of the Supplier actually incurred in responding to requests for access under this paragraph.

8.3 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 Suppliers performance of the Goods and/or Services and the Termination Assistance and its compliance with the other provisions of this Contract Schedule 9), each Party shall return to the other Party (or if requested, destroy or delete) all Confidential Information of the other Party 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 Goods and/or Services or termination services or for statutory compliance purposes.

8.4 Except where this Contract provides otherwise, all licences, leases and authorisations granted by the Customer to the Supplier in relation to the Goods and/or Services shall be terminated with effect from the end of the Termination Assistance Period.

## 9. ASSETS AND SUB-CONTRACTS

9.1 Following notice of termination of this Contract and during the Termination Assistance Period, the Supplier shall not, without the Customer's prior written consent:

9.1.1 terminate, enter into or vary any Sub-Contract;

9.1.2 (subject to normal maintenance requirements) make material modifications to, or dispose of, any existing Supplier Assets or acquire any new Supplier Assets; or

9.1.3 terminate, enter into or vary any licence for software in connection with the provision of Goods and/or Services.

9.2 Within twenty (20) Working Days of receipt of the up-to-date Registers provided by the Supplier pursuant to paragraph 7.1.5 of this Contract Schedule 9, the Customer shall provide written notice to the Supplier setting out:

9.2.1 which, if any, of the Transferable Assets the Customer requires to be transferred to the Customer and/or the Replacement Supplier ("**Transferring Assets**");

9.2.2 which, if any, of:

(a) the Exclusive Assets that are not Transferable Assets; and

(b) the Non-Exclusive Assets,

the Customer and/or the Replacement Supplier requires the continued use of; and

9.2.3 which, if any, of Transferable Contracts the Customer requires to be assigned or novated to the Customer and/or the Replacement Supplier (the **"Transferring Contracts"**),

in order for the Customer and/or its Replacement Supplier to provide the Goods and/or Services from the expiry of the Termination Assistance Period. Where requested by the Customer and/or its Replacement Supplier, the Supplier shall provide all reasonable assistance to the Customer and/or its Replacement Supplier to enable it to determine which Transferable Assets and Transferable Contracts the Customer and/or its Replacement Supplier requires to provide the Goods and/or Services or the Replacement Goods and/or Replacement Services.

9.3 With effect from the expiry of the Termination Assistance Period, the Supplier shall sell the Transferring Assets to the Customer and/or its nominated Replacement Supplier for a consideration equal to their Net Book Value, except where the cost of the Transferring Asset has been partially or fully paid for through the Contract Charges at the Contract Expiry Date, in which case the Customer shall pay the Supplier the Net Book Value of the Transferring Asset less the amount already paid through the Contract Charges.

9.4 Risk in the Transferring Assets shall pass to the Customer or the Replacement Supplier (as appropriate) at the end of the Termination Assistance Period and title to the Transferring Assets shall pass to the Customer or the Replacement Supplier (as appropriate) on payment for the same.

9.5 Where the Supplier is notified in accordance with paragraph 9.2.2 of this Contract Schedule 9 that the Customer 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:

9.5.1 procure a non-exclusive, perpetual, royalty-free licence (or licence on such other terms that have been agreed by the Customer) for the Customer and/or the Replacement Supplier to use such assets (with a right of sub-licence or assignment on the same terms); or failing which

9.5.2 procure a suitable alternative to such assets and the Customer or the Replacement Supplier shall bear the reasonable proven costs of procuring the same.

9.6 The Supplier shall as soon as reasonably practicable assign or procure the novation to the Customer and/or the Replacement Supplier of the Transferring Contracts. The Supplier shall execute such documents and provide such other assistance as the Customer reasonably requires to effect this novation or assignment.

9.7 The Customer shall:

9.7.1 accept assignments from the Supplier or join with the Supplier in procuring a novation of each Transferring Contract; and

9.7.2 once a Transferring Contract is novated or assigned to the Customer 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.

9.8 The Supplier shall hold any Transferring Contracts on trust for the Customer until such time as the transfer of the relevant Transferring Contract to the Customer and/or the Replacement Supplier has been effected.

9.9 The Supplier shall indemnify the Customer (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 Customer (and/or Replacement Supplier) pursuant to paragraph 9.6 of this Contract Schedule 9 in relation to any matters arising prior to the date of assignment or novation of such Transferring Contract.

## 10. SUPPLIER PERSONNEL

10.1 The Customer and Supplier agree and acknowledge that in the event of the Supplier ceasing to provide the Goods and/or Services or part of them for any reason, Contract Schedule 10 (Staff Transfer) shall apply.

10.2 The Supplier shall not take any step (expressly or implicitly and directly or indirectly by itself or through any other person) to dissuade or discourage any employees engaged in the provision of the Goods and/or Services from transferring their employment to the Customer and/or the Replacement Supplier.

10.3 During the Termination Assistance Period, the Supplier shall give the Customer and/or the Replacement Supplier reasonable access to the Suppliers personnel to present the case for transferring their employment to the Customer and/or the Replacement Supplier.

10.4 The Supplier shall immediately notify the Customer or, at the direction of the Customer, 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.

10.5 The Supplier shall not for a period of twelve (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 Customer and/or the Replacement Supplier, unless approval has been obtained from the Customer which shall not be unreasonably withheld.

## 11. CHARGES

11.1 Except as otherwise expressly specified in this Contract , the Supplier shall not make any charges for the services provided by the Supplier pursuant to, and the Customer shall not be obliged to pay for costs incurred by the Supplier in relation to its compliance with, this Contract Schedule 9 including the preparation and implementation of the Exit Plan, the Termination Assistance and any activities mutually agreed between the Parties to carry on after the expiry of the Termination Assistance Period.

## 12. APPORTIONMENTS

12.1 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 Customer and the Supplier and/or the Replacement Supplier and the Supplier (as applicable) as follows:

12.1.1 the amounts shall be annualised and divided by 365 to reach a daily rate;

12.1.2 the Customer 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

12.1.3 the Supplier shall be responsible for or entitled to (as the case may be) the rest of the invoice.

12.2 Each Party shall pay (and/or the Customer shall procure that the Replacement Supplier shall pay) any monies due under paragraph 12.1 of this Contract Schedule 9 as soon as reasonably practicable.

## CONTRACT SCHEDULE 10: STAFF TRANSFER

### 1. DEFINITIONS

In this Contract Schedule 10, the following definitions shall apply:

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| **"Admission Agreement"** | The agreement to be entered into by which the supplier agrees to participate in the Schemes as amended from time to time; |
| **"Eligible Employee"** | any Fair Deal Employee who at the relevant time is an eligible employee as defined in the Admission Agreement; |
| **"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:<br>(a) redundancy payments including contractual or enhanced redundancy costs, termination costs and notice payments;<br>(b) unfair, wrongful or constructive dismissal compensation;<br>(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;<br>(d) compensation for less favourable treatment of part-time workers or fixed term employees;<br>(e) outstanding employment debts and unlawful deduction of wages including any PAYE and national insurance contributions;<br>(f) employment claims whether in tort, contract or statute or otherwise;<br>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; |

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| **"Fair Deal Employees"** | those Transferring Customer Employees who are on the Relevant Transfer Date entitled to the protection of New Fair Deal and any Transferring Former Supplier Employees who originally transferred pursuant to a Relevant Transfer under the Employment Regulations (or the predecessor legislation to the Employment Regulations), from employment with a public sector employer and who were once eligible to participate in the Schemes and who at the Relevant Transfer Date become entitled to the protection of New Fair Deal; |
| **"Former Supplier"** | a supplier supplying services to the Customer 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); |
| **"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; |
| **"Notified Sub-Contractor"** | a Sub-Contractor identified in the Annex to this Contract Schedule 10 to whom Transferring Customer Employees and/or Transferring Former Supplier Employees will transfer on a Relevant Transfer Date; |
| **"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; |
| **"Schemes"** | the Principal Civil Service Pension Scheme available to employees of the civil service and employees of bodies under the Superannuation Act 1972, as governed by rules adopted by Parliament; the Partnership Pension Account and its (i) Ill health Benefits Scheme and (ii) Death Benefits Scheme; the Civil Service Additional Voluntary Contribution Scheme; and the 2015 New Scheme (with effect from a date to be notified to the Supplier by the Minister for the Cabinet Office); |
| **"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 or a Replacement Sub-Contractor; |
| **"Service Transfer Date"** | the date of a Service Transfer; |
| **"Staffing Information"** | in relation to all persons identified on the Suppliers Provisional Supplier Personnel List or Suppliers Final Supplier Personnel List, as the case may be, such |

information as the Customer may reasonably request (subject to all applicable provisions of the DPA), but including in an anonymised format:

(a) their ages, dates of commencement of employment or engagement and gender;

(b) details of whether they are employed, self employed contractors or consultants, agency workers or otherwise;

(c) the identity of the employer or relevant contracting party;

(d) their relevant contractual notice periods and any other terms relating to termination of employment, including redundancy procedures, and redundancy payments;

(e) their wages, salaries and profit sharing arrangements as applicable;

(f) details of other employment-related benefits, including (without limitation) medical insurance, life assurance, pension or other retirement benefit schemes, share option schemes and company car schedules applicable to them;

(g) any outstanding or potential contractual, statutory or other liabilities in respect of such individuals (including in respect of personal injury claims);

(h) details of any such individuals on long term sickness absence, parental leave, maternity leave or other authorised long term absence;

(i) copies of all relevant documents and materials relating to such information, including copies of relevant contracts of employment (or relevant standard contracts if applied generally in respect of such employees); and

(j) any other "employee liability information" as such term is defined in regulation 11 of the Employment Regulations;

**"Suppliers Final Supplier Personnel List"** a list provided by the Supplier of all Supplier Personnel who will transfer under the Employment Regulations on the Relevant Transfer Date;

**"Suppliers Provisional Supplier Personnel List"** a list prepared and updated by the Supplier of all Supplier Personnel who are engaged in or wholly or mainly 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

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| | no longer be provided by the Supplier; |
| **"Transferring Customer Employees"** | those employees of the Customer to whom the Employment Regulations will apply on the Relevant Transfer Date; |
| **"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 Suppliers Sub-Contractors to whom the Employment Regulations will apply on the Service Transfer Date. |

## 2. INTERPRETATION

Where a provision in this Contract Schedule 10 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 Customer, Former Supplier, Replacement Supplier or Replacement Sub-Contractor, as the case may be.

## PART A

## TRANSFERRING CUSTOMER EMPLOYEES AT COMMENCEMENT OF SERVICES

### 1. RELEVANT TRANSFERS

1.1 The Customer and the Supplier agree that:

1.1.1 the commencement of the provision of the Services or of each relevant part of the Services will be a Relevant Transfer in relation to the Transferring Customer Employees; and

1.1.2 as a result of the operation of the Employment Regulations, the contracts of employment between the Customer and the Transferring Customer Employees (except in relation to any terms disapplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Relevant Transfer Date as if originally made between the Supplier and/or any Notified Sub-Contractor and each such Transferring Customer Employee.

1.2 The Customer shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of the Transferring Customer Employees in respect of the period arising 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 to the period up to (but not including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the Customer; and (ii) the Supplier and/or any Notified Sub-Contractor (as appropriate).

### 2. CUSTOMER INDEMNITIES

2.1 Subject to Paragraph 2.2, the Customer shall indemnify the Supplier and any Notified Sub-Contractor against any Employee Liabilities in respect of any Transferring Customer Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:

2.1.1 any act or omission by the Customer occurring before the Relevant Transfer Date;

2.1.2 the breach or non-observance by the Customer before the Relevant Transfer Date of:

(a) any collective agreement applicable to the Transferring Customer Employees; and/or

(b) any custom or practice in respect of any Transferring Customer Employees which the Customer is contractually bound to honour;

2.1.3 any claim by any trade union or other body or person representing the Transferring Customer Employees arising from or connected with any failure by the Customer to comply with any legal obligation to such trade union, body or person arising before the Relevant Transfer Date;

2.1.4 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:

(a) in relation to any Transferring Customer Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date; and

(b) in relation to any employee who is not a Transferring Customer 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 Customer to the Supplier and/or any Notified Sub-Contractor as appropriate, to the extent that the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date.

2.1.5 a failure of the Customer 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 Customer Employees arising before the Relevant Transfer Date;

2.1.6 any claim made by or in respect of any person employed or formerly employed by the Customer other than a Transferring Customer Employee for whom it is alleged the Supplier and/or any Notified Sub-Contractor as appropriate may be liable by virtue of the Employment Regulations and/or the Acquired Rights Directive; and

2.1.7 any claim made by or in respect of a Transferring Customer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Customer Employee relating to any act or omission of the Customer 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 or not a Notified Sub-Contractor) whether occurring or having its origin before, on or after the Relevant Transfer Date including any Employee Liabilities:

2.2.1 arising out of the resignation of any Transferring Customer Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Supplier and/or any Sub-Contractor to occur in the period from (and including) the Relevant Transfer Date; or

2.2.2 arising from the failure by the Supplier or any Sub-Contractor to comply with its obligations under the Employment Regulations.

2.3 If any person who is not identified by the Customer as a Transferring Customer Employee claims, or it is determined in relation to any person who is not identified by the Customer as a Transferring Customer Employee, that his/her contract of employment has been transferred from the Customer to the Supplier and/or any Notified Sub-Contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:

2.3.1 the Supplier shall, or shall procure that the Notified Sub-Contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Customer; and

2.3.2 the Customer may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of receipt of the notification by the Supplier and/or any Notified Sub-Contractor, or take such other reasonable steps as the Customer considers appropriate to deal with the matter provided always that such steps are in compliance with Law.

2.4 If an offer referred to in Paragraph 2.3.2 is accepted, or if the situation has otherwise been resolved by the Customer, the Supplier shall, or shall procure that the Notified Sub-Contractor shall, immediately release the person from his/her employment or alleged employment.

2.5 If by the end of the 15 Working Day period specified in Paragraph 2.3.2:

2.5.1 no such offer of employment has been made;

2.5.2 such offer has been made but not accepted; or

2.5.3 the situation has not otherwise been resolved,

the Supplier and/or any Notified Sub-Contractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.

2.6 Subject to the Supplier and/or any Notified 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 applicable Law, the Customer shall indemnify the Supplier and/or any Notified Sub-Contractor (as appropriate) against all Employee Liabilities arising out of the termination pursuant to the provisions of Paragraph 2.5 provided that the Supplier takes, or procures that the Notified Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities.

2.7 The indemnity in Paragraph 2.6:

2.7.1 shall not apply to:

(a) any claim for:

(i) 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

(ii) 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

(b) any claim that the termination of employment was unfair because the Supplier and/or Notified Sub-Contractor neglected to follow a fair dismissal procedure; and

2.7.2 shall apply only where the notification referred to in Paragraph 2.3.1 is made by the Supplier and/or any Notified Sub-Contractor (as appropriate) to the Customer within 6 months of the Contract Commencement Date.

2.8 If any such person as is referred to in Paragraph 2.3 is neither re-employed by the Customer nor dismissed by the Supplier and/or any Notified Sub-Contractor

within the time scales set out in Paragraph 2.5 such person shall be treated as having transferred to the Supplier and/or any Notified Sub-Contractor and the Supplier shall, or shall procure that the Notified Sub-Contractor shall, comply with such obligations as may be imposed upon it under applicable Law.

## 3. SUPPLIER INDEMNITIES AND OBLIGATIONS

3.1 Subject to Paragraph 3.2 the Supplier shall indemnify the Customer against any Employee Liabilities in respect of any Transferring Customer Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:

3.1.1 any act or omission by the Supplier or any Sub-Contractor whether occurring before, on or after the Relevant Transfer Date;

3.1.2 the breach or non-observance by the Supplier or any Sub-Contractor on or after the Relevant Transfer Date of:

(a) any collective agreement applicable to the Transferring Customer Employees; and/or

(b) any custom or practice in respect of any Transferring Customer Employees which the Supplier or any Sub-Contractor is contractually bound to honour;

3.1.3 any claim by any trade union or other body or person representing any Transferring Customer Employees arising from or connected with any failure by the Supplier or any Sub-Contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;

3.1.4 any proposal by the Supplier or a Sub-contractor made before the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring Customer Employees to their material detriment on or after their transfer to the Supplier or the relevant 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 Customer 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;

3.1.5 any statement communicated to or action undertaken by the Supplier or any Sub-Contractor to, or in respect of, any Transferring Customer Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Customer in writing;

3.1.6 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:

(a) in relation to any Transferring Customer 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

(b) in relation to any employee who is not a Transferring Customer 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 Customer to the Supplier or a Sub-Contractor, 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;

3.1.7 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 Customer Employees in respect of the period from (and including) the Relevant Transfer Date; and

3.1.8 any claim made by or in respect of a Transferring Customer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Customer Employee relating to any act or omission of the Supplier or any Sub-Contractor in relation to their obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the Customer's failure to comply with its obligations under regulation 13 of the Employment Regulations.

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 Customer whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Customer'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 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 the Transferring Customer Employees, from (and 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 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 Customer and the Supplier.

## 4. INFORMATION

The Supplier shall, and shall procure that each Sub-Contractor shall, promptly provide to the Customer in writing such information as is necessary to enable the Customer to carry out its duties under regulation 13 of the Employment Regulations. The Customer shall promptly provide to the Supplier and each Notified Sub-Contractor in writing such information as is necessary to enable the Supplier and each Notified Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

## 5. PRINCIPLES OF GOOD EMPLOYMENT PRACTICE

5.1 The Parties agree that the Principles of Good Employment Practice issued by the Cabinet Office in December 2010 apply to the treatment by the Supplier of employees whose employment begins after the Relevant Transfer Date, and the Supplier undertakes to treat such employees in accordance with the provisions of the Principles of Good Employment Practice.

5.2 The Supplier shall, and shall procure that each Sub-Contractor shall, comply with any requirement notified to it by the Customer relating to pensions in respect of any Transferring Customer Employee as set down in:

5.2.1 the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised 2007;

5.2.2 HM Treasury's guidance "Staff Transfers from Central Government: A Fair Deal for Staff Pensions of 1999;

5.2.3 HM Treasury's guidance "Fair deal for staff pensions: procurement of Bulk Transfer Agreements and Related Issues" of June 2004; and/or

5.2.4 the New Fair Deal.

5.3 Any changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraphs 5.1 or 5.2 shall be agreed in accordance with the Variation Procedure.

## 6. PENSIONS

The Supplier shall, and shall procure that each of its Sub-Contractors shall, comply with the pensions provisions in the following Annex.

## ANNEX TO PART A: PENSIONS

### 1. PARTICIPATION

1.1 The Supplier undertakes to enter into the Admission Agreement.

1.2 The Supplier and the Customer:

1.2.1 undertake to do all such things and execute any documents (including the Admission Agreement) as may be required to enable the Supplier to participate in the Schemes in respect of the Fair Deal Employees;

1.2.2 agree that the Customer is entitled to make arrangements with the body responsible for the Schemes for the Customer to be notified if the Supplier breaches the Admission Agreement;

1.2.3 notwithstanding Paragraph 1.2.2 of this Annex, the Supplier shall notify the Customer in the event that it breaches the Admission Agreement; and

1.2.4 agree that the Customer may terminate this Contract for material default in the event that the Supplier breaches the Admission Agreement.

1.3 The Supplier shall bear its own costs and all costs that the Customer reasonably incurs in connection with the negotiation, preparation and execution of documents to facilitate the Supplier participating in the Schemes.

### 2. FUTURE SERVICE BENEFITS

2.1 The Supplier shall procure that the Fair Deal Employees, shall be either admitted into, or offered continued membership of, the relevant section of the Schemes that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date and the Supplier shall procure that the Fair Deal Employees continue to accrue benefits in accordance with the provisions governing the relevant section of Schemes for service from (and including) the Relevant Transfer Date.

2.2 The Supplier undertakes that should it cease to participate in the Schemes for whatever reason at a time when it has Eligible Employees, that it will, at no extra cost to the Customer, provide to any Fair Deal Employee who immediately prior to such cessation remained an Eligible Employee with access to an occupational pension scheme certified by the Government Actuary's Department or any actuary nominated by the Customer in accordance with relevant guidance produced by the Government Actuary's Department as providing benefits which are broadly comparable to those provided by the Schemes at the relevant date.

2.3 The Parties acknowledge that the Civil Service Compensation Scheme and the Civil Service Injury Benefit Scheme (established pursuant to section 1 of the Superannuation Act 1972) are not covered by the protection of New Fair Deal.

### 3. FUNDING

3.1 The Supplier undertakes to pay to the Schemes all such amounts as are due under the Admission Agreement and shall deduct and pay to the Schemes such employee contributions as are required by the Schemes.

3.2 The Supplier shall indemnify and keep indemnified the Customer on demand against any claim by, payment to, or loss incurred by, the Schemes in respect of

the failure to account to the Schemes for payments received and the non-payment or the late payment of any sum payable by the Supplier to or in respect of the Schemes.

## 4. PROVISION OF INFORMATION

The Supplier and the Customer respectively undertake to each other:

4.1 to provide all information which the other Party may reasonably request concerning matters referred to in this Annex and set out in the Admission Agreement, and to supply the information as expeditiously as possible; and

4.2 not to issue any announcements to the Fair Deal Employees prior to the Relevant Transfer Date concerning the matters stated in this Annex without the consent in writing of the other Party (not to be unreasonably withheld or delayed).

## 5. INDEMNITY

The Supplier undertakes to the Customer to indemnify and keep indemnified the Customer on demand from and against all and any Losses whatsoever arising out of or in connection with any liability towards the Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which relate to the payment of benefits under an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Schemes.

## 6. EMPLOYER OBLIGATION

The Supplier shall comply with the requirements of the Pensions Act 2008 and the Transfer of Employment (Pension Protection) Regulations 2005.

## 7. SUBSEQUENT TRANSFERS

The Supplier shall:

7.1 not adversely affect pension rights accrued by any Fair Deal Employee in the period ending on the date of the relevant future transfer;

7.2 provide all such co-operation and assistance as the Schemes and the Replacement Supplier and/or the Customer may reasonably require to enable the Replacement Supplier to participate in the Schemes in respect of any Eligible Employee and to give effect to any transfer of accrued rights required as part of participation under New Fair Deal; and

7.3 for the period either:

7.3.1 after notice (for whatever reason) is given, in accordance with the other provisions of this Contract , to terminate the Agreement or any part of the Services; or

7.3.2 after the date which is two (2) years prior to the date of expiry of this Contract ,

ensure that no change is made to pension, retirement and death benefits provided for or in respect of any person who will transfer to the Replacement Supplier or the Customer, no category of earnings which were not previously pensionable are made pensionable and the contributions (if any) payable by such employees are not reduced without (in any case) the prior approval of the Customer (such approval not to be unreasonably withheld). Save that this sub-

paragraph shall not apply to any change made as a consequence of participation in an Admission Agreement.

## PART B

## TRANSFERRING FORMER SUPPLIER EMPLOYEES AT COMMENCEMENT OF SERVICES

### 1. RELEVANT TRANSFERS

1.1 The Customer and the Supplier agree that:

1.1.1 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

1.1.2 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 Notified Sub-Contractor and each such Transferring Former Supplier Employee.

1.2 Subject to Paragraph 6, the Customer 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 Customer shall procure that each Former Supplier makes, any necessary apportionments in respect of any periodic payments.

### 2. FORMER SUPPLIER INDEMNITIES

2.1 Subject to Paragraphs 2.2 and 6, the Customer shall procure that each Former Supplier shall indemnify the Supplier and any Notified Sub-Contractor against any Employee Liabilities in respect of any Transferring Former Supplier Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:

2.1.1 any act or omission by the Former Supplier arising before the Relevant Transfer Date;

2.1.2 the breach or non-observance by the Former Supplier arising before the Relevant Transfer Date of:

(a) any collective agreement applicable to the Transferring Former Supplier Employees; and/or

(b) any custom or practice in respect of any Transferring Former Supplier Employees which the Former Supplier is contractually bound to honour;

2.1.3 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:

(a) 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 before the Relevant Transfer Date; and

(b) 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 and/or any Notified Sub-Contractor as appropriate, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations in respect of the period to (but excluding) the Relevant Transfer Date;

2.1.4 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;

2.1.5 any claim made by or in respect of any person employed or formerly employed by the Former Supplier other than a Transferring Former Supplier Employee for whom it is alleged the Supplier and/or any Notified Sub-Contractor as appropriate may be liable by virtue of this Contract and/or the Employment Regulations and/or the Acquired Rights Directive; and

2.1.6 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 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:

2.2.1 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

2.2.2 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 Customer as a Transferring Former Supplier Employee claims, or it is determined in relation to any person who is not identified by the Customer 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 Notified Sub-Contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:

2.3.1 the Supplier shall, or shall procure that the Notified Sub-Contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Customer and, where required by the Customer, to the Former Supplier; and

2.3.2 the Former Supplier may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of the notification by the Supplier and/or the Notified 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 2.3.2 is accepted, or if the situation has otherwise been resolved by the Former Supplier and/or the Customer, the Supplier shall, or shall procure that the Notified Sub-Contractor shall, immediately release the person from his/her employment or alleged employment.

2.5 If by the end of the 15 Working Day period specified in Paragraph 2.3.2:

2.5.1 no such offer of employment has been made;

2.5.2 such offer has been made but not accepted; or

2.5.3 the situation has not otherwise been resolved,

the Supplier and/or any Notified Sub-Contractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.

2.6 Subject to the Supplier and/or any Notified 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 Customer shall procure that the Former Supplier indemnifies the Supplier and/or any Notified Sub-Contractor (as appropriate) against all Employee Liabilities arising out of the termination pursuant to the provisions of Paragraph 2.5 provided that the Supplier takes, or shall procure that the Notified Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities.

2.7 The indemnity in Paragraph 2.6:

2.7.1 shall not apply to:

(a) any claim for:

(i) 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

(ii) 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

(b) any claim that the termination of employment was unfair because the Supplier and/or Notified Sub-Contractor neglected to follow a fair dismissal procedure; and

2.7.2 shall apply only where the notification referred to in Paragraph 2.3.1 is made by the Supplier and/or any Notified Sub-Contractor (as appropriate) to the Customer and, if applicable, the Former Supplier, within 6 months of the Contract Commencement 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 Notified Sub-Contractor within the time scales set out in Paragraph 2.5, such person shall be treated as having transferred to the Supplier or Notified Sub-Contractor and the Supplier shall, or shall procure that the Notified 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 Customer and/or the Former Supplier against any Employee Liabilities in respect of any Transferring Former Supplier Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:

3.1.1 any act or omission by the Supplier or any Sub-Contractor whether occurring before, on or after the Relevant Transfer Date;

3.1.2 the breach or non-observance by the Supplier or any Sub-Contractor on or after the Relevant Transfer Date of:

(a) any collective agreement applicable to the Transferring Former Supplier Employee; and/or

(b) any custom or practice in respect of any Transferring Former Supplier Employees which the Supplier or any Sub-Contractor is contractually bound to honour;

3.1.3 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;

3.1.4 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;

3.1.5 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 Customer and/or the Former Supplier in writing;

3.1.6 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:

(a) 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

(b) 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;

3.1.7 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; and

3.1.8 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 of the Employment Regulations, except to the extent that the liability arises from the Former Suppliers failure to comply with its obligations under regulation 13 of the Employment Regulations.

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 Suppliers 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 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

The Supplier shall, and shall procure that each Sub-Contractor shall, promptly provide to the Customer and/or at the Customer's direction, the Former Supplier, in writing such information as is necessary to enable the Customer and/or the Former Supplier to carry out their respective duties under regulation 13 of the Employment Regulations. Subject to Paragraph 6, the Customer shall procure that the Former Supplier shall promptly provide to the Supplier and each Notified Sub-Contractor in writing such information as is necessary to enable the Supplier and each Notified 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 Customer relating to pensions in respect of any Transferring Former Supplier Employee as set down in:

5.1.1 the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised 2007;

5.1.2 HM Treasury's guidance "Staff Transfers from Central Government: A Fair Deal for Staff Pensions of 1999;

5.1.3 HM Treasury's guidance: "Fair deal for staff pensions: procurement of Bulk Transfer Agreements and Related Issues" of June 2004; and/or

5.1.4 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 Variation Procedure.

## 6. PROCUREMENT OBLIGATIONS

Notwithstanding any other provisions of this Part B, where in this Part B the Customer 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 Customer's contract with the Former Supplier contains a contractual right in that regard which the Customer may enforce, or otherwise so that it requires only that the Customer must use reasonable endeavours to procure that the Former Supplier does or does not act accordingly.

## 7. PENSIONS

The Supplier shall, and shall procure that each Sub-Contractor shall, comply with the pensions provisions in the following Annex in respect of any Transferring Former Supplier Employees who transfer from the Former Supplier to the Supplier.

## ANNEX TO PART B: PENSIONS

### 1. PARTICIPATION

1.1 The Supplier undertakes to enter into the Admission Agreement.

1.2 The Supplier and the Customer:

1.2.1 undertake to do all such things and execute any documents (including the Admission Agreement) as may be required to enable the Supplier to participate in the Schemes in respect of the Fair Deal Employees;

1.2.2 agree that the Customer is entitled to make arrangements with the body responsible for the Schemes for the Customer to be notified if the Supplier breaches the Admission Agreement;

1.2.3 notwithstanding Paragraph 1.2.2 of this Annex, the Supplier shall notify the Customer in the event that it breaches the Admission Agreement; and

1.2.4 agree that the Customer may terminate this Contract for material default in the event that the Supplier breaches the Admission Agreement.

1.3 The Supplier shall bear its own costs and all costs that the Customer reasonably incurs in connection with the negotiation, preparation and execution of documents to facilitate the Supplier participating in the Schemes.

### 2. FUTURE SERVICE BENEFITS

2.1 If the Supplier is rejoining the Schemes for the first time, the Supplier shall procure that the Fair Deal Employees shall be either admitted to or offered continued membership of the relevant section of the Schemes that they became eligible to join on the Relevant Transfer Date and shall continue to accrue or accrue benefits in accordance with the provisions governing the relevant section of the Schemes for service from (and including) the Relevant Transfer Date.

2.2 If staff have already been readmitted to the Schemes, the Supplier shall procure that the Fair Deal Employees, shall be either admitted into, or offered continued membership of, the relevant section of the Schemes that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date and the Supplier shall procure that the Fair Deal Employees continue to accrue benefits in accordance with the provisions governing the relevant section of the Schemes for service from (and including) the Relevant Transfer Date.

2.3 The Supplier undertakes that should it cease to participate in the Schemes for whatever reason at a time when it has Eligible Employees, that it will, at no extra cost to the Customer, provide to any Fair Deal Employee who immediately prior to such cessation remained an Eligible Employee with access to an occupational pension scheme certified by the Government Actuary's Department or any actuary nominated by the Customer in accordance with relevant guidance produced by the Government Actuary's Department as providing benefits which are broadly comparable to those provided by the Schemes at the relevant date.

2.4 The Parties acknowledge that the Civil Service Compensation Scheme and the Civil Service Injury Benefit Scheme (established pursuant to section 1 of the Superannuation Act 1972) are not covered by the protection of New Fair Deal.

### 3. FUNDING

3.1 The Supplier undertakes to pay to the Schemes all such amounts as are due under the Admission Agreement and shall deduct and pay to the Schemes such employee contributions as are required by the Schemes.

3.2 The Supplier shall indemnify and keep indemnified the Customer on demand against any claim by, payment to, or loss incurred by the Schemes in respect of the failure to account to the Schemes for payments received and the non-payment or the late payment of any sum payable by the Supplier to or in respect of the Schemes.

## 4. PROVISION OF INFORMATION

The Supplier and the Customer respectively undertake to each other:

4.1 to provide all information which the other Party may reasonably request concerning matters (i) referred to in this Annex and (ii) set out in the Admission Agreement, and to supply the information as expeditiously as possible; and

4.2 not to issue any announcements to the Fair Deal Employees prior to the Relevant Transfer Date concerning the matters stated in this Annex without the consent in writing of the other Party (not to be unreasonably withheld or delayed).

## 5. INDEMNITY

The Supplier undertakes to the Customer to indemnify and keep indemnified the Customer on demand from and against all and any Losses whatsoever arising out of or in connection with any liability towards the Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which relate to the payment of benefits under an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Schemes.

## 6. EMPLOYER OBLIGATION

The Supplier shall comply with the requirements of the Pensions Act 2008 and the Transfer of Employment (Pension Protection) Regulations 2005.

## 7. SUBSEQUENT TRANSFERS

The Supplier shall:

7.1 not adversely affect pension rights accrued by any Fair Deal Employee in the period ending on the date of the relevant future transfer;

7.2 provide all such co-operation and assistance as the Schemes and the Replacement Supplier and/or the Customer may reasonably require to enable the Replacement Supplier to participate in the Schemes in respect of any Eligible Employee and to give effect to any transfer of accrued rights required as part of participation under the New Fair Deal; and

7.3 for the period either

7.3.1 after notice (for whatever reason) is given, in accordance with the other provisions of this Contract , to terminate the Agreement or any part of the Services; or

7.3.2 after the date which is two (2) years prior to the date of expiry of this Contract ,

ensure that no change is made to pension, retirement and death benefits provided for or in respect of any person who will transfer to the Replacement Supplier or the Customer, no category of earnings which were not previously pensionable are made pensionable and the contributions (if any) payable by such employees are not reduced without (in any case) the prior approval of the Customer (such approval not to be unreasonably withheld). Save that this sub-paragraph shall not apply to any change made as a consequence of participation in an Admission Agreement.

## PART C

## NO TRANSFER OF EMPLOYEES AT COMMENCEMENT OF SERVICES

### 1. PROCEDURE IN THE EVENT OF TRANSFER

1.1 The Customer and the Supplier agree that the commencement of the provision of the Services or of any part of the Services will not be a Relevant Transfer in relation to any employees of the Customer and/or any Former Supplier.

1.2 If any employee of the Customer and/or a Former Supplier claims, or it is determined in relation to any employee of the Customer and/or a Former Supplier, that his/her contract of employment has been transferred from the Customer and/or the Former Supplier to the Supplier and/or any Sub-Contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:

1.2.1 the Supplier shall, and shall procure that the relevant Sub-Contractor shall, within five (5) Working Days of becoming aware of that fact, give notice in writing to the Customer and, where required by the Customer, give notice to the Former Supplier; and

1.2.2 the Customer and/or the Former Supplier may offer (or may procure that a third party may offer) employment to such person within fifteen (15) Working Days of the notification by the Supplier or the Sub-Contractor (as appropriate) or take such other reasonable steps as the Customer or Former Supplier (as the case may be) considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.

1.3 If an offer referred to in Paragraph 1.2.2 is accepted (or if the situation has otherwise been resolved by the Customer and/or the Former Supplier), the Supplier shall, or shall procure that the Sub-Contractor shall, immediately release the person from his/her employment or alleged employment.

1.4 If by the end of the fifteen (15) Working Day period specified in Paragraph 1.2.2:

1.4.1 no such offer of employment has been made;

1.4.2 such offer has been made but not accepted; or

1.4.3 the situation has not otherwise been resolved,

the Supplier and/or the Sub-Contractor may within five (5) Working Days give notice to terminate the employment or alleged employment of such person.

### 2. INDEMNITIES

2.1 Subject to the Supplier and/or the relevant Sub-Contractor acting in accordance with the provisions of Paragraphs 1.2 to 1.4 and in accordance with all applicable employment procedures set out in applicable Law and subject also to Paragraph 2.4, the Customer shall:

2.1.1 indemnify the Supplier and/or the relevant Sub-Contractor against all Employee Liabilities arising out of the termination of the employment of any employees of the Customer referred to in Paragraph 1.2 made pursuant to the provisions of Paragraph 1.4 provided that the Supplier takes, or shall procure that the Notified Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities; and

2.1.2 subject to paragraph 3, procure that the Former Supplier indemnifies the Supplier and/or any Notified Sub-Contractor against all Employee Liabilities arising out of termination of the employment of the employees of the Former Supplier made pursuant to the provisions of Paragraph 1.4 provided that the Supplier takes, or shall procure that the relevant Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities.

2.2 If any such person as is described in Paragraph 1.2 is neither re employed by the Customer and/or the Former Supplier as appropriate nor dismissed by the Supplier and/or any Sub-Contractor within the fifteen (15) Working Day period referred to in Paragraph 1.4 such person shall be treated as having transferred to the Supplier and/or the Sub-Contractor (as appropriate) and the Supplier shall, or shall procure that the Sub-Contractor shall, comply with such obligations as may be imposed upon it under Law.

2.3 Where any person remains employed by the Supplier and/or any Sub-Contractor pursuant to Paragraph 2.2, all Employee Liabilities in relation to such employee shall remain with the Supplier and/or the Sub-Contractor and the Supplier shall indemnify the Customer and any Former Supplier, and shall procure that the Sub-Contractor shall indemnify the Customer and any Former Supplier, against any Employee Liabilities that either of them may incur in respect of any such employees of the Supplier and/or employees of the Sub-Contractor.

2.4 The indemnities in Paragraph 2.1:

2.4.1 shall not apply to:

(a) any claim for:

(i) 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

(ii) 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

(b) any claim that the termination of employment was unfair because the Supplier and/or any Sub-Contractor neglected to follow a fair dismissal procedure; and

2.4.2 shall apply only where the notification referred to in Paragraph 1.2.1 is made by the Supplier and/or any Sub-Contractor to the Customer and, if applicable, Former Supplier within 6 months of the Contract Commencement Date.

## 3. PROCUREMENT OBLIGATIONS

Where in this Part C the Customer 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 Customer's contract with the Former Supplier contains a contractual right in that regard which the Customer may enforce, or otherwise so that it requires only that the Customer must use reasonable endeavours to procure that the Former Supplier does or does not act accordingly.

## PART D

## EMPLOYMENT EXIT PROVISIONS

### 1. PRE-SERVICE TRANSFER OBLIGATIONS

1.1 The Supplier agrees that within twenty (20) Working Days of the earliest of:

1.1.1 receipt of a notification from the Customer of a Service Transfer or intended Service Transfer;

1.1.2 receipt of the giving of notice of early termination or any Partial Termination of this Contract ;

1.1.3 the date which is twelve (12) Months before the end of the Term; and

1.1.4 receipt of a written request of the Customer at any time (provided that the Customer shall only be entitled to make one such request in any six (6) month period),

it shall provide in a suitably anonymised format so as to comply with the DPA, the Suppliers Provisional Supplier Personnel List, together with the Staffing Information in relation to the Suppliers Provisional Supplier Personnel List and it shall provide an updated Suppliers Provisional Supplier Personnel List at such intervals as are reasonably requested by the Customer.

1.2 At least thirty (30) Working Days prior to the Service Transfer Date, the Supplier shall provide to the Customer or at the direction of the Customer to any Replacement Supplier and/or any Replacement Sub-Contractor:

1.2.1 the Suppliers Final Supplier Personnel List, which shall identify which of the Supplier Personnel are Transferring Supplier Employees; and

1.2.2 the Staffing Information in relation to the Suppliers Final Supplier Personnel List (insofar as such information has not previously been provided).

1.3 The Customer 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 Customer, 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 Paragraph 1.1, 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 Suppliers Provisional Supplier Personnel List and shall not without the approval of the Customer (not to be unreasonably withheld or delayed):

1.5.1 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;

1.5.2 make, promise, propose or permit any material changes to the terms and conditions of employment of the Supplier Personnel (including any payments connected with the termination of employment);

1.5.3 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;

1.5.4 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 Suppliers Provisional Supplier Personnel List;

1.5.5 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

1.5.6 terminate or give notice to terminate the employment or contracts of any persons on the Suppliers Provisional Supplier Personnel List save by due disciplinary process,

and shall promptly notify, and procure that each Sub-Contractor shall promptly notify, the Customer or, at the direction of the Customer, 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 Suppliers 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 Customer any information the Customer may reasonably require relating to the manner in which Services are organised, which shall include:

1.6.1 the numbers of employees engaged in providing the Services;

1.6.2 the percentage of time spent by each employee engaged in providing the Services; and

1.6.3 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 Customer, 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 five (5) Working Days following the Service Transfer Date, the Supplier shall provide, and shall procure that each Sub-Contractor shall provide, to the Customer or, at the direction of the Customer, to any Replacement Supplier and/or any Replacement Sub-Contractor (as appropriate), in respect of each person on the Suppliers Final Supplier Personnel List who is a Transferring Supplier Employee:

1.7.1 the most recent month's copy pay slip data;

1.7.2 details of cumulative pay for tax and pension purposes;

1.7.3 details of cumulative tax paid;

1.7.4 tax code;

1.7.5 details of any voluntary deductions from pay; and

1.7.6 bank/building society account details for payroll purposes.

## 2. EMPLOYMENT REGULATIONS EXIT PROVISIONS

2.1 The Customer 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 Contract 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 Customer 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 (but not 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 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.

2.3 Subject to Paragraph 2.4, where a Relevant Transfer occurs the Supplier shall indemnify the Customer and/or the Replacement Supplier and/or any Replacement Sub-Contractor against any Employee Liabilities in respect of any Transferring Supplier Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:

2.3.1 any act or omission of the Supplier or any Sub-Contractor whether occurring before, on or after the Service Transfer Date;

2.3.2 the breach or non-observance by the Supplier or any Sub-Contractor occurring on or before the Service Transfer Date of:

(a) any collective agreement applicable to the Transferring Supplier Employees; and/or

(b) 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;

2.3.3 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 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;

2.3.4 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:

(a) 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

(b) in relation to any employee who is not a Transferring 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 Supplier to the Customer 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;

2.3.5 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 Supplier Employees in respect of the period up to (and including) the Service Transfer Date);

2.3.6 any claim made by or in respect of any person employed or formerly employed by the Supplier or any Sub-Contractor other than a Transferring Supplier Employee for whom it is alleged the Customer and/or the Replacement Supplier and/or any Replacement Sub-Contractor may be liable by virtue of this Contract and/or the Employment Regulations and/or the Acquired Rights Directive; and

2.3.7 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 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 Customer 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:

2.4.1 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

2.4.2 arising from the Replacement Suppliers 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 a Transferring Supplier Employee claims, or it is determined in relation to any person who is not a Transferring Supplier Employee, 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:

2.5.1 the Customer shall procure that the Replacement Supplier shall, or any Replacement Sub-Contractor shall, within five (5) Working Days of becoming aware of that fact, give notice in writing to the Supplier; and

2.5.2 the Supplier may offer (or may procure that a Sub-Contractor may offer) employment to such person within fifteen (15) 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 or a Sub-Contractor, the Customer shall 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 fifteen (15) Working Day period specified in Paragraph 2.5.2 has elapsed:

2.7.1 no such offer of employment has been made;

2.7.2 such offer has been made but not accepted; or

2.7.3 the situation has not otherwise been resolved

the Customer shall advise the Replacement Supplier and/or Replacement Sub-Contractor, as appropriate that it may within five (5) 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 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:

2.9.1 shall not apply to:

(a) any claim for:

(i) 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

(ii) 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

(b) 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

2.9.2 shall apply only where the notification referred to in Paragraph 2.5.1 is made by the Replacement Supplier and/or Replacement Sub-Contractor to the Supplier within six (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 and the Replacement Supplier and/or Replacement Sub-Contractor shall comply with such obligations as may be imposed upon it under applicable Law.

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 the Transferring Supplier Employees 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 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:

2.11.1 the Supplier and/or any Sub-Contractor; and

2.11.2 the Replacement Supplier and/or the Replacement Sub-Contractor.

2.12 The Supplier shall, and shall procure that each Sub-Contractor shall, promptly provide to the Customer and any Replacement Supplier and/or Replacement Sub-Contractor, in writing such information as is necessary to enable the Customer, the Replacement Supplier and/or Replacement Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations. The Customer shall 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, where a Relevant Transfer occurs the Customer shall procure that the Replacement Supplier indemnifies the Supplier on its own behalf and on behalf of any Replacement Sub-Contractor and its sub-contractors against any Employee Liabilities in respect of each Transferring Supplier Employee (or, where applicable any employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee) arising from or as a result of:

2.13.1 any act or omission of the Replacement Supplier and/or Replacement Sub-Contractor;

2.13.2 the breach or non-observance by the Replacement Supplier and/or Replacement Sub-Contractor on or after the Service Transfer Date of:

(a) any collective agreement applicable to the Transferring Supplier Employees; and/or

(b) any custom or practice in respect of any Transferring Supplier Employees which the Replacement Supplier and/or Replacement Sub-Contractor is contractually bound to honour;

2.13.3 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 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 Relevant Transfer Date;

2.13.4 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 on or after their transfer to the Replacement Supplier or Replacement 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 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;

2.13.5 any statement communicated to or action undertaken by the Replacement Supplier or Replacement Sub-Contractor to, or in respect of, any Transferring Supplier Employee on or before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Supplier in writing;

2.13.6 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:

(a) 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 after the Service Transfer Date; and

(b) in relation to any employee who is not a Transferring 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 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;

2.13.7 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 in respect of the period from (and including) the Service Transfer Date; and

2.13.8 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 Replacement Supplier or Replacement Sub-Contractor in relation to obligations under regulation 13 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 Relevant 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 TO SCHEDULE 10: LIST OF NOTIFIED SUB-CONTRACTORS

## CONTRACT SCHEDULE 11: DISPUTE RESOLUTION PROCEDURE

### 1. DEFINITIONS

1.1 In this Contract Schedule 11, 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 to it in paragraph 6.2 of this Contract Schedule 11; |
| **"Exception"** | a deviation of project tolerances in accordance with PRINCE2 methodology in respect of this Contract or in the supply of the Goods and/or Services; |
| **"Expert"** | the person appointed by the Parties in accordance with paragraph 5.2 of this Contract Schedule 11; and |
| **"Mediation Notice"** | has the meaning given to it in paragraph 3.2 of this Contract Schedule 11; |
| **"Mediator"** | the independent third party appointed in accordance with paragraph 4.2 of this Contract Schedule 11. |

### 2. INTRODUCTION

2.1 If a Dispute arises then:

2.1.1 the representative of the Customer and the Supplier Representative shall attempt in good faith to resolve the Dispute; and

2.1.2 if such attempts are not successful within a reasonable time either Party may give to the other a Dispute Notice.

2.2 The Dispute Notice shall set out:

2.2.1 the material particulars of the Dispute;

2.2.2 the reasons why the Party serving the Dispute Notice believes that the Dispute has arisen; and

2.2.3 if the Party serving the Dispute Notice believes that the Dispute should be dealt with under the Expedited Dispute Timetable as set out in paragraph 2.6 of this Contract Schedule 11, the reason why.

2.3 Unless agreed otherwise in writing, the Parties shall continue to comply with their respective obligations under this Contract regardless of the nature of the Dispute and notwithstanding the referral of the Dispute to the Dispute Resolution Procedure.

2.4 Subject to paragraph 3.2 of this Contract Schedule 11, the Parties shall seek to resolve Disputes:

2.4.1 first by commercial negotiation (as prescribed in paragraph 3 of this Contract Schedule 11);

2.4.2 then by mediation (as prescribed in paragraph 4 of this Contract Schedule 11); and

2.4.3 lastly by recourse to arbitration (as prescribed in paragraph 6 of this Contract Schedule 11) or litigation (in accordance with Clause 57 of this Contract (Governing Law and Jurisdiction)).

2.5 Specific issues shall be referred to Expert Determination (as prescribed in paragraph 5 of this Contract Schedule 11) where specified under the provisions of this Contract and may also be referred to Expert Determination where otherwise appropriate as specified in paragraph 5 of this Contract Schedule 11.

2.6 In exceptional circumstances where the use of the times in this Contract Schedule 11 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 of the Expedited Dispute Timetable within five (5) Working Days of the issue of the Dispute Notice, the use of the Expedited Dispute Timetable shall be at the sole discretion of the Customer.

2.7 If the use of the Expedited Dispute Timetable is determined in accordance with paragraph 2.5 or is otherwise specified under the provisions of this Contract , then the following periods of time shall apply in lieu of the time periods specified in the applicable paragraphs:

2.7.1 in paragraph 3.2.3, ten (10) Working Days;

2.7.2 in paragraph 4.2, ten (10) Working Days;

2.7.3 in paragraph 5.2, five (5) Working Days; and

2.7.4 in paragraph 6.2, ten (10) Working Days.

2.8 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. Any agreed extension shall have the effect of delaying the start of the subsequent stages by the period agreed in the extension.

## 3. COMMERCIAL NEGOTIATIONS

3.1 Following the service of a Dispute Notice, the Customer and the Supplier shall use reasonable endeavours to resolve the Dispute as soon as possible, by discussion between the Customer Representative and the Supplier Representative.

3.2 If:

3.2.1 either Party is of the reasonable opinion that the resolution of a Dispute by commercial negotiation, or the continuance of commercial negotiations, will not result in an appropriate solution;

3.2.2 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 negotiations in accordance with this paragraph 3 of this Contract Schedule 11; or

3.2.3 the Parties have not settled the Dispute in accordance with paragraph 3.1 of this Contract Schedule 11 within thirty (30) Working Days of service of the Dispute Notice,

either Party may serve a written notice to proceed to mediation (a "**Mediation Notice"**) in accordance with paragraph 4 of this Contract Schedule 11.

## 4. MEDIATION

4.1 If a Mediation Notice is served, the Parties shall attempt to resolve the dispute in accordance with CEDR's Model Mediation Agreement which shall be deemed to be incorporated by reference into this Contract .

4.2 If the Parties are unable to agree on the joint appointment of a Mediator within thirty (30) Working Days from service of the Mediation Notice then either Party may apply to CEDR to nominate the Mediator.

4.3 If the Parties are unable to reach a settlement in the negotiations at the mediation, and only if the 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.

4.4 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 Variation Procedure where appropriate). The Mediator shall assist the Parties in recording the outcome of the mediation.

## 5. EXPERT DETERMINATION

5.1 If a Dispute relates to any aspect of the technology underlying the provision of the Goods and/or Services or otherwise relates to a financial technical or other aspect of a technical nature (as the Parties may agree) and the Dispute has not been resolved by discussion or mediation, then either Party may request (which request will not be unreasonably withheld or delayed) by written notice to the other that the Dispute is referred to an Expert for determination.

5.2 The Expert shall be appointed by agreement in writing between the Parties, but in the event of a failure to agree within ten (10) Working Days, or if the person appointed is unable or unwilling to act, the Expert shall be appointed on the instructions of the relevant professional body.

5.3 The Expert shall act on the following basis:

5.3.1 he/she shall act as an expert and not as an arbitrator and shall act fairly and impartially;

5.3.2 the Expert's determination shall (in the absence of a material failure to follow the agreed procedures) be final and binding on the Parties;

5.3.3 the Expert shall decide the procedure to be followed in the determination and shall be requested to make his/her determination within thirty (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;

5.3.4 any amount payable by one Party to another as a result of the Expert's determination shall be due and payable within twenty (20) Working Days of the Expert's determination being notified to the Parties;

5.3.5 the process shall be conducted in private and shall be confidential; and

5.3.6 the Expert shall determine how and by whom the costs of the determination, including his/her fees and expenses, are to be paid.

## 6. ARBITRATION

6.1 The Customer may at any time before court proceedings are commenced refer the Dispute to arbitration in accordance with the provisions of paragraph 6.4 of this Contract Schedule 11.

6.2 Before the Supplier commences court proceedings or arbitration, it shall serve written notice on the Customer of its intentions and the Customer shall have fifteen (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 6.4 of this Contract Schedule 11 or be subject to the jurisdiction of the courts in accordance with Clause 57 of this Contract (Governing Law and Jurisdiction). The Supplier shall not commence any court proceedings or arbitration until the expiry of such fifteen (15) Working Day period.

6.3 If:

6.3.1 the Counter Notice requires the Dispute to be referred to arbitration, the provisions of paragraph 6.4 of this Contract Schedule 11 shall apply;

6.3.2 the Counter Notice requires the Dispute to be subject to the exclusive jurisdiction of the courts in accordance with Clause 61 of this Contract (Governing Law and Jurisdiction), the Dispute shall be so referred to the courts and the Supplier shall not commence arbitration proceedings;

6.3.3 the Customer does not serve a Counter Notice within the fifteen (15) Working Days period referred to in paragraph 6.2 of this Contract Schedule 11, the Supplier may either commence arbitration proceedings in accordance with paragraph 6.4 of this Contract Schedule 11 or commence court proceedings in the courts in accordance with Clause 57 of this Contract (Governing Law and Jurisdiction) which shall (in those circumstances) have exclusive jurisdiction.

6.4 In the event that any arbitration proceedings are commenced pursuant to paragraphs 6.1 to 6.3 of this Contract Schedule 11, the Parties hereby confirm that:

6.4.1 all disputes, issues or claims arising out of or in connection with this Contract (including as to its existence, validity or performance) shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration ("**LCIA**") (subject to paragraphs 6.4.5 to 6.4.7 of this Contract Schedule 11);

6.4.2 the arbitration shall be administered by the LCIA;

6.4.3 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 Contract and the decision of the arbitrator shall be binding on the Parties in the absence of any material failure to comply with such rules;

6.4.4 if the Parties fail to agree the appointment of the arbitrator within ten (10) 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;

6.4.5 the chair of the arbitral tribunal shall be British;

6.4.6 the arbitration proceedings shall take place in London and in the English language; and

6.4.7 the seat of the arbitration shall be London.

## 7. URGENT RELIEF

7.1 Either Party may at any time take proceedings or seek remedies before any court or tribunal of competent jurisdiction:

7.1.1 for interim or interlocutory remedies in relation to this Contract or infringement by the other Party of that Party's Intellectual Property Rights; and/or

7.1.2 where compliance with paragraph 2.1 of this Contract Schedule 11 and/or referring the Dispute to mediation may leave insufficient time for that Party to commence proceedings before the expiry of the limitation period.

## CONTRACT SCHEDULE 12: VARIATION FORM

No of Contract Order Form being varied:

……

Variation Form No:

……

BETWEEN:

**[**insert name of Customer**]** ("**the Customer"**)

and

**[**insert name of Supplier**]** (**"the Supplier"**)

1. This Contract is varied as follows and shall take effect on the date signed by both Parties:

   ***[Insert details of the Variation]***

2. Words and expressions in this Variation shall have the meanings given to them in this Contract .

3. This Contract , including any previous Variations, shall remain effective and unaltered except as amended by this Variation.

Signed by an authorised signatory for and on behalf of the Customer

Signature

Date .....

Name (in Capitals) .....

Address .....

Signed by an authorised signatory to sign for and on behalf of the Supplier

Signature

Date .....

Name (in Capitals) .....

Address .....

## CONTRACT SCHEDULE 13: TRANSPARENCY REPORTS

1.1 Within a period to be agreed with Supplier from the Contract Commencement Date or the date specified by the Customer in the Contract Order Form the Supplier shall provide to the Customer for Approval (the Customer's decision to approve or not shall not be unreasonably withheld or delayed) draft Transparency Reports consistent with the content and format requirements in Annex 1 below.

1.2 If the Customer rejects any proposed Transparency Report, the Supplier shall submit a revised version of the relevant report for further Approval by the Customer 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 Customer. This process shall be repeated until the Parties have agreed versions of each Transparency Report.

1.3 The Supplier shall provide accurate and up-to-date versions of each Transparency Report to the Customer at the frequency referred to in Annex 1 of this Contract Schedule 13 below.

1.4 Any Dispute in connection with the preparation and/or approval of Transparency Reports shall be resolved in accordance with the Dispute Resolution Procedure.

1.5 The requirements in this Schedule 13 are in addition to any other reporting requirements in this Contract.

## ANNEX 1: LIST OF TRANSPARENCY REPORTS

To be agreed:

| Title of Report | Content | Format | Frequency |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |

## CONTRACT SCHEDULE 14: ALTERNATIVE AND/OR ADDITIONAL CLAUSES

**NOT USED**

## CONTRACT SCHEDULE 15: CONTRACT TENDER

Services to be delivered in line with the submitted proposal, as at:

- Annex 15A – Question 4.1 Service Delivery
- Annex 15B – Question 4.2 Service Delivery
- Annex15C – Question 4.3 Service Delivery
- Annex 15D – Question 4.4 Service Delivery
- Annex 15E – Question 5.1 Account Management
- Annex 15F – Question 5.2 Account Management