

(1) UKAR CORPORATE SERVICES LIMITED

(2) HELP TO BUY HMT LIMITED

**MORTGAGE GUARANTEE SCHEME SERVICES
AGREEMENT**

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SCHEDULE 4 EXIT PLAN59

THIS SERVICES AGREEMENT is dated _____ 2013

BETWEEN:

1. **UKAR CORPORATE SERVICES LIMITED** (a private limited company registered in England under registration number 08578384 whose registered office is at Croft Road, Crossflatts, Bingley, West Yorkshire, BD16 2UA (the "**Supplier**"); and
 2. **HELP TO BUY (HMT) LIMITED** (a private limited company registered in England under registration number 08676596) whose registered office is at 1 Horse Guards Road, London SW1A 2HQ (the "**Customer**"),
- (each a **Party** and together the **Parties**).

WHEREAS:

- (A) The Government wishes to establish the Scheme and entered into an Memorandum of Understanding with UK Asset Resolution Limited dated 24 June 2013 as amended to allow the Supplier, a subsidiary of UK Asset Resolution Limited to provide Services to the Customer prior to the Parties entering into this Agreement.
- (B) The Government through HM Treasury has formed a company, the Customer, to operate the Scheme and has selected the Supplier to act as its provider of the Services to the Customer.
- (C) It is acknowledged that neither the Supplier or Customer is regulated by the FCA.
- (D) The Customer wishes to purchase the Services and the Supplier agrees to provide the Services on the terms and conditions set out in this Agreement.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement the following words and expressions shall have the following meanings:

Additional Services	any additional services carried out by the Supplier pursuant to the Change Control Procedure;
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Affected Party	is defined in Clause 25.2;
Affiliate	in respect of a party, its Parent Undertakings, Subsidiary Undertakings and the Subsidiary Undertakings of any of its Parent Undertakings from time to time (“ Parent Undertaking ” and “ Subsidiary Undertaking ” having the meanings set out in section 1162 Companies Act 2006);
Agreement	this agreement, including the Schedules;
Business Continuity Policy	means the business continuity policy and disaster recovery plans of the Supplier as updated or amended from time to time in accordance with the terms of this Agreement;
Business Day	a day (other than a Saturday or Sunday) on which banks are generally open for business (other than solely for trading and settlement in Euro) in London;
Change Control Procedure	means the change control procedure set out at section 1 of Schedule 1;
Change Request	is defined in section 1 of Schedule 1;
Charges	the charges set out in Schedule 2;
Confidential Information	is defined in Clause 28;
Costs	means costs (including reasonable legal costs), fees, charges and expenses (including taxation) and other costs in each case of any nature whatsoever;
Customer Data	means all data a) provided to the Supplier or on behalf of the Customer or b) created, obtained, collected or compiled by or for or on behalf of the Supplier (whether by its employees, agents, contractors, Third Party Suppliers or otherwise) in the course of providing the Services or

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otherwise pursuant to this Agreement; and

c) Customer Records

Customer Records

is defined in Clause 8.2(b);

Data

means data including, without limitation any personal data, information, all data contained within a database, text, drawings, diagrams, images, messages and sounds) in whatever form;

Data Protection Legislation

means the EC Data Protection Directive (Directive 95/46/EC), the DPA, and all other applicable laws concerning the processing of data relating to living persons;

Disaster

means any event (including, without limitation, any fire, flood, disaster or other circumstance preventing the Supplier from performing or delaying the Supplier in performing its obligations under this Agreement including any or all of the Services) which is declared a disaster by either Party as contemplated by the Business Continuity Policy;

Dispute

means all differences and disputes between the Parties arising out of or in connection with this Agreement;

DPA

means the Data Protection Act 1998;

Effective Date

the date of this Agreement;

Electronic Funds Transfer

means any transfer of funds that is initiated by electronic means, including (but not limited to) SWIFT, a bank service Supplier's proprietary software (for example Faster Payments) or

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CHAPS;

Equalisation Administration Payment	means a payment to be made by the Customer to the Supplier to compensate the Supplier for any Costs or Liabilities it incurs in providing the Services;
Escalation Management Process	means the process set out in Schedule 1;
Exit Assistance	means such reasonable assistance to be provided by the Supplier during the Exit Assistance Period as may be agreed between the Parties in writing acting reasonably and in good faith in all the circumstances;
Exit Assistance Costs	means the Supplier's Costs during the Exit Assistance Period as agreed by the Parties from time to time;
Exit Assistance Period	a period of eighteen (18) months following the Termination Date or such other period as agreed between the parties pursuant to the Exit Plan;
Exit Plan	is defined in Clause 19.2;
FOIA	means the Freedom of Information Act 2000;
Force Majeure Event	is defined in Clause 25.1;
FCA	means the UK Financial Conduct Authority or such other authority as shall from time to time carry out such functions in the United Kingdom as are on the date of this Agreement carried on by the UK Financial Conduct Authority;
Good Industry Standards	means the exercise of that degree of skill, care, diligence, prudence and foresight which would

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reasonably and ordinarily be expected from time to time from personnel engaged in the same type of undertaking and in the same or similar circumstances and conditions as those envisaged by this Agreement;

Group

means in relation to each Party, its subsidiaries, its holding companies and any subsidiaries of such holding companies (as those terms are defined in section 1159 of the Companies Act 2006);

HM Treasury

means the Commissioners of Her Majesty's Treasury;

Information Security Policy

means the information security policy of each Party;

Intellectual Property Rights

means patents, trade marks, service marks, logos, trade names, internet domain names, copyright (including rights in computer software) and moral rights, database rights, semiconductor topography rights, utility models, rights in designs, rights in get up, rights in inventions, rights in know-how and other intellectual property rights, in each case whether registered or unregistered, and all rights or forms of protection having equivalent or similar effect anywhere in the world and **registered** includes registrations and applications for registration;

Intelligent Client Function

means a person or team within HM Treasury responsible for monitoring and managing on behalf of the Customer the Supplier's adherence to the terms of this Agreement, adherence to the Service Levels and the effective delivery of the Services as described in section 1 (Engagement Services) of Schedule 1;

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Interim Services	is defined in Schedule 1;
Liabilities	means any Costs (including taxation and national insurance contributions (to the extent that recovery is permitted by law)), Supplier corporation tax, losses, damages, fines, claims (including, but not limited to, claims brought by trade unions, employee representatives or individual employees), demands, actions penalties or compensation awards or other liabilities;
Lenders	is defined in the Scheme Rules as a Lending Group Member;
Lender Data	means Data provided by the Lenders directly to the Supplier pursuant to the Scheme;
Monthly Reports	means the monthly reports as detailed in Schedule 1;
Operational Change	is defined in Clause 4.2;
Persistent Breach	means any breach of the same obligation by the Supplier under this Agreement (but, for the avoidance of doubt, not in respect of any Service Level Default) which (a) occurs on more than 3 (three) occasions during a period of 6 (six) months or (b) which has continued for a period of 3 (three) consecutive months;
Policies	means the policies of each Party as amended from time to time including the Information Security Policy;
Proprietary Software	means software owned by the Supplier and used in the provision of the Services;
Regulator	means one or more, as the context requires, of

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the Information Commissioner, any other data protection or privacy authorities, the European Commission, HM Revenue and Customs or any other regulator that regulates the business and operations of the Supplier Group or the Lenders, as appropriate;

Regulations

means any Act of Parliament or subordinate legislation within the meaning of section 21 (1) of the Interpretation Act 1978, any law, rule, order, regulation, directive, by-law or decision which concerns or may affect any of the Services or the provision or receipt of any of the Services, as the same may be amended from time to time;

Regulatory Approvals

is defined in Clause 10.1(b);

Regulatory Requirements

means all applicable rules, Regulations, statutory requirements, instruments and provisions in force from time to time which relate to or impact on the Services, including (without limitation) the DPA, the Data Protection Legislation, the Money Laundering Regulations 2003, the Joint Money Laundering Steering Group Guidance Notes, BIS DISC PD0008 (the British Standards Institute Code of Practice on the Legal Admissibility and Evidential Weight of Information Stored Electronically), the Disability Discrimination Act 1995, the rules, codes of conduct, codes of practice, practice requirements and accreditation terms stipulated by any regulatory authority (whether established pursuant to statute or otherwise) to which the Customer or the Supplier is subject from time to time;

Relevant Personal Data

has the meaning given in Clause 22.2

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Remediation Plan	has the meaning set out in Schedule 1;
Replacement Supplier	means any company, person, business entity or other organisation which replaces the Supplier in respect of the provision of any or all of the Services to the Customer in connection with the actual or potential cessation of any of the Services, the actual or potential termination of this Agreement in whole or in part or the expiry of the term of this Agreement;
Representatives	means, in relation to a Party, its respective subsidiaries and the directors, officers, employees, contractors, interim staff, agents, advisers, accountants and consultants of that Party and/or of its respective subsidiaries and in the case of the Customer shall include the Lenders;
Scheme	the Help to Buy: mortgage guarantee scheme;
Scheme Administration Guide	the Scheme guidelines;;
Scheme Administration Mark-up	means a mark-up of 1% on the quarterly Charges;
Scheme Rules	the Scheme rules under which the Lenders are bound pursuant to the Scheme;
Scheme Commencement Date	means 2 January 2014;
Scheme Operations Manager	means a manager and team set up within the Supplier to monitor and manage the Supplier's adherence to the terms of this Agreement, adherence to the Service Levels and the effective delivery of the Services;
Service Cessation	means the termination of a Service, all Services or the termination or expiry of this Agreement (for

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whatever reason);

Service Level Default a failure to achieve any or all of the Service Levels and/or to perform or provide any or all of the Services at all or to at least the standard required by any other term of this Agreement;

Service Levels the minimum standards of performance to which the Services are to be performed at all times as listed in Appendix C of Schedule 1, as the same may be varied, added to or replaced from time to time in accordance with the Change Control Procedure;

Service Report means the reports containing management information surrounding the Services;

Service Request is defined in section 1 of Schedule 1;

Service Review is defined in section 1 of Schedule 1;

Services means the services set out or referred to in Schedule 1 collectively or individually as the context so requires.

Step In Period the period commencing on the time and date specified in the relevant Step In Notice as being the time and date Step In in respect of the relevant Step In Services will commence and ending on the date the Supplier resumes performance of the relevant Step In Services pursuant to Clause 11;

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Step In Services those Services identified in a Step In Notice as being Services in respect of which the Customer is exercising a right of Step In;

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Subsidiary	has the meaning ascribed to it in section 1159 of the Companies Act 2006;
Supplier Data	means all information in respect of the business and financing of the Supplier including (without limitation) any ideas, business methods, finances, data, prices, business, financial, marketing, development or manpower plans, customer lists or details, computer systems and software, the terms of any Third Party Supply Agreements, products or services, including but not limited to, know-how or other matters connected with the products or services provided or obtained by the Supplier, and information concerning the Supplier's affairs or relationships with actual or potential customers or Suppliers, whether in oral, documentary, electronic or other forms excluding Customer Data;
Supplier Employee	means any person employed by the Supplier or any employee of any Third Party Supplier or sub-contractor of the Supplier who is engaged in the provision of all or any of the Services;
Supplier Records	is defined in Clause 8.2(a);
Surviving Provisions	means Clauses 8, 9, 15.4, 18,19, 26 and 28;
Systems	means information technology or communications systems, including networks, hardware, software, peripherals and interfaces;
Term	the period starting on the Effective Date and ending on the Termination Date;
Termination Date	means any date and all dates when (i) the Supplier ceases to perform or be responsible for any or all of the Services including the Exit

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Period; (ii) this Agreement terminates (in whole or in part) for whatever reason; and/or (iii) the term of this Agreement expires and the term **Termination Date** shall be construed accordingly;

Termination Charges

the termination charges set out in Schedule 2;

Termination Payments

means payments in respect of redundancy payments (to include statutory and contractual redundancy payments) and payments in lieu of notice which Supplier Employees are entitled to receive on the termination of their employment by reason of redundancy;

Third Party Supplier

means a third party that supplies goods (including licences of Intellectual Property Rights), Systems, facilities or services under a Third Party Supply Agreement as set out in Schedule 3;

Third Party Software

means software owned by a third party that is licensed to the Supplier and used in the provision of the Services;

Third Party Agreements

Supply

means the agreements to which the Supplier is a party under which third parties provide goods (including any licences of Intellectual Property Rights), Systems, facilities or services to the Supplier relating to the provision of the Services;

Transfer Regulations

means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended);

Unaffected Party

is defined in Clause 25.2;

VAT

means value added tax imposed under EC Directive 2006/112, the Value Added Tax Act 1994 and/or any primary or secondary legislation supplemental to either of them;

VAT Invoice

means a VAT invoice as described in section 6(15) of the Value Added Tax Act 1994,

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paragraph 2(1) of Schedule 11 to the Value Added Tax Act 1994 and the Value Added Tax Regulations 1995 and shall also include, where appropriate, a reference to a credit or debit note;

Website means the Scheme website having the URL: <http://www.ukarcsl.co.uk>;

Working Hours means 9.00am to 5.00pm in the relevant location on a Business Day; and

Year means the twelve month period commencing on the Effective Date and each consecutive 12 (twelve) month period (or part thereof) starting on the anniversary of the Effective Date in which this Agreement is in force.

1.2 In this Agreement, unless the context otherwise requires:

- (a) references to a **person** include any individual, firm, body corporate (wherever incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality);
- (b) headings do not affect the interpretation of this Agreement; the singular shall include the plural and vice versa; and references to one gender include all genders;
- (c) references to time are to London time;
- (d) references to any English legal term or concept shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction;
- (e) references to sterling or pounds sterling or £ are references to the lawful currency from time to time of England;
- (f) unless otherwise stated, references in this Agreement to a **Clause, Recital** or **Schedule** shall be construed as a reference to a Clause, Recital or Schedule of or to this Agreement; and
- (g) any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding or following those terms.

1.3 If there is a conflict or inconsistency between:

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- (a) any Clause of, and any Schedule to, this Agreement, the Clause prevails;

For this purpose, an omission (whether deliberate or inadvertent) is not, by itself, to be construed as giving rise to a conflict or inconsistency.

- 1.4 The Recitals and Schedules and any other documents referred to in this Agreement form an operative part of this Agreement.

- 1.5 Except as otherwise expressly provided in this Agreement, any express reference to an enactment (which includes any legislation in any jurisdiction) includes reference to (i) that enactment as amended, consolidated or re-enacted by or under any other enactment before or after the date of this Agreement; (ii) any enactment which that enactment re-enacts (with or without modification); and (iii) any subordinate legislation (including regulations) made (before or after the date of this Agreement) under that enactment, as amended, consolidated or re-enacted as described in (i) or (ii) above.

2. PROVISION OF SERVICES

- 2.1 In providing the Services, the Supplier shall during the Term of this Agreement:

- (a) use reasonable endeavours to comply with and maintain the Service Levels and its wider obligations under this Agreement;
- (b) ensure that, where the provision of the Services is dependent upon a Third Party Supplier, the Supplier shall not provide the Services by way of any other supplier except as may be agreed by the Parties in accordance with the Change Control Procedure;
- (c) afford the Customer at least the same level of care, diligence, priority and treatment as it would if it was providing the Services to its own business; and
- (d) provide the same in accordance with Good Industry Standards.

- 2.2 In consideration for the provision by the Supplier of the Services, the Customer shall pay the Charges to the Supplier.

- 2.3 The Parties shall comply with the Service Management Model.

- 2.4 The Supplier shall be the exclusive Supplier of the Services to the Customer unless otherwise agreed by the Parties.

- 2.5 The Supplier and the Customer shall ensure compliance with the obligations as set out in the Scheme Rules.

3. SERVICE LEVELS

- 3.1 The following provisions of this Clause 3 shall apply in respect of each Service Level.

- 3.2 The Supplier shall:

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- (a) implement appropriate measurement tools, methodologies and monitoring procedures to measure accurately and report its performance of the Services against the Service Levels in the Monthly Reports; and
 - (b) comply with the additional reporting obligations set out in Schedule 1.
- 3.3 All Monthly Reports that relate to Service Levels produced by the Supplier shall be sent to the Scheme Operations Manager and the Intelligent Client Function (as applicable) who shall, if either party so reasonably requests, hold a meeting (by telephone or otherwise) in order to discuss the contents of the Monthly Report.
- 3.4 Without prejudice to the Supplier's obligation to provide the Monthly Reports that relate to Service Levels set out in Clause 3, if the Supplier becomes aware of any Service Level Default at any time then it shall, as soon as reasonably practicable of becoming aware of the Service Level Default, notify the Customer in writing, such written notification to be of a reasonable level of detail to allow the Customer to understand the Service Level Default and the Supplier shall implement a Remediation Plan in accordance with Schedule 1
- 3.5 Notwithstanding any provision of this Agreement the Supplier shall be allowed to enter into other agreements to provide services to third parties and use any independently developed Intellectual Property Rights and use, sell or licence materials, products or services that are similar to those provided under this Agreement with the written consent of the Customer, such consent not to be unreasonably withheld or delayed

4. CHANGES TO SYSTEMS OF THE SUPPLIER, SERVICES, PERSONNEL OR POLICIES

- 4.1 Except as otherwise agreed by the Parties in writing or in accordance with Clause 24 and the Change Control Procedure, the Supplier shall not be obliged to change operational aspects of the Services or the way in which the Services are provided.
- 4.2 Subject to Clause 4.3, the Supplier may:
- (a) change operational aspects of the Services or the way in which they are provided, or substitute them with equivalent services; or
 - (b) substitute, change, update or enhance the Systems used to provide the Services,
- (in each case, an **Operational Change**).
- 4.3 The Supplier shall ensure that:
- (a) the Customer is given reasonable advance written notice of the proposed Operational Change (such notice period to take account of the nature and impact on the Scheme of the Operational Change proposed);
 - (b) the operation of the Scheme is not adversely disrupted as a result of the Operational Change; and
 - (c) the Operational Change does not:

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- (i) reduce the scope of the Services, the standard of the Service Levels or any other obligations of the Supplier hereunder; or
 - (ii) adversely affect the ability of the Customer to receive the Services (or equivalent services); or
 - (iii) result in an increase to the Charges (no matter how significant or insignificant); or
 - (iv) cause the Customer to incur any additional costs in respect of the Services (or equivalent services); or
 - (v) cause either Party to be in breach of any term of this Agreement.
- 4.4 Where an Operational Change does not meet the criteria set out in Clause 4.3(c), the change shall be reviewed and agreed in accordance with the Change Control Procedure including, without limitation, any increase to the Charges or any additional Costs as a result of such change.
- 4.5 Either Party may propose reasonable updates or additions to its relevant Policies by notifying the other Party in writing. If the Parties, acting reasonably, agree that:
- (a) the Parties' compliance with the updated or new policy or procedure will not:
 - (i) reduce the scope of the Services or the standard of the Service Levels;
 - (ii) adversely affect the Customer's ability to receive the Services; or
 - (iii) result in an increase to the Charges or cause the Supplier and/or the Customer to incur additional Costs in respect of the Services,
- the update or addition shall be embedded and the Parties shall be afforded a reasonable period in which to implement any changes to working practices or Systems that are required to comply with these updated policies and procedures; or
- (b) the criteria in Clause 4.5(a) are not met, the relevant policy or procedure shall remain unchanged and the requested update or addition shall be reviewed in accordance with the Change Control Procedure.

5. INFORMATION TECHNOLOGY RISK CONTROL

- 5.1 Each Party shall and the Customer shall procure that the Lenders shall:
- (a) maintain reasonable security measures and procedures in order to prevent unauthorised access or use of the Systems operated by it;
 - (b) use reasonable endeavours, including without limitation, the application of appropriate information security practices and the installation, maintenance and use of suitable protection software such as, without limitation, firewalls and anti-malware software and mechanisms in accordance with Good Industry Standards, to ensure that it does not introduce into the other Party's Systems any software virus, computer program, malware or other

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destructive, malicious or disabling code that might affect the provision or the receipt of the Services or corrupt any data (including, without limitation, the Customer Data and/or the Supplier Data) or applications on those Systems;

- (c) where applicable, comply with the Information Security Policy of the other Party or any updated version thereof that are implemented in accordance with Clause 4.5 or the Change Control Procedure when accessing or using the other Party's System;
- (d) co-operate in any reasonable security arrangements that the other Party considers necessary to prevent the first Party, or any unauthorised third party accessing a System or data (including, without limitation, the Customer Data, Lender Data and the Supplier Data) in a manner prohibited by this Agreement;
- (e) regularly assess and, where relevant, report to the Supplier any prevalent threats or breach of any protective measures to the Systems used in the provision or receipt of the Services arising as a result of any access granted under this Agreement.

6. GENERAL OBLIGATIONS

6.1 Subject to Clauses 5, 21.1 and 28, the Parties shall:

- (a) promptly provide to the other on written request information (including copies of documents and data) in its possession, custody or control or the possession, custody or control of its Group and all other assistance reasonably required in relation to the provision or the receipt of the Services;
- (b) not use, or attempt to access or interfere with, any Systems or data used by the other or any of the other's Group, unless authorised to do so under this Agreement;
- (c) afford the other or the other's contractors, agents or employees reasonable access to its personnel during Working Hours where appropriate; and
- (d) adhere to the other Parties' Policies to the extent the same (including in respect of access to the other Party's physical premises and health and safety guidelines) have been made available to the other and are applicable or relevant in respect of the provision and/or receipt of the Services.

6.2 Each of the Parties shall supply their own Systems, equipment, facilities, premises, personnel and other resources as necessary to perform or receive (as applicable) the Services.

6.3 The Supplier shall, in delivering the Services, only utilise Supplier Employees and Representatives who are appropriately authorised and have been vetted for honesty and integrity with evidence in support of their honesty and integrity by carrying out a credit reference check and a criminal record check (each at any time prior to their assignment to the Services), each having been obtained in accordance with reasonable recruitment policies and procedures which are consistent with Good Industry Standards.

6.4 If the Customer reasonably believes that any Supplier Employees are not performing to a standard appropriate for the tasks he or she is assigned to

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undertake and the Services are being adversely affected then, as soon as reasonably practicable, this will be discussed with the Supplier and the Parties shall agree, in good faith, what (if any) action is to be taken. If the Parties cannot agree what action is to be taken or if, despite the actions agreed having been taken, the Customer still reasonably believes that the relevant Supplier Employee is still not performing to a standard appropriate for the tasks he or she is assigned to undertake then the Customer may raise the same as a Dispute to be handled by the Parties in accordance with the Escalation Management Process.

- 6.5 Each Party shall and in the case of the Customer shall procure that the Lenders have sole responsibility for any data prepared and/or input by it or by any of its Representatives, and the other Party shall not be responsible for any fault or error in that preparation and/or input.
- 6.6 The Supplier shall provide the Monthly Reports to the Customer in accordance with Schedule 1 including, without limitation, within the timescales set out therein and in a format to be agreed by the Parties in good faith.

7. THIRD PARTY SUPPLY AGREEMENTS

- 7.1 The Customer acknowledges and agrees that:
- (a) (as a condition of the provision of certain Services hereunder) the Supplier is required to comply with the terms of the Third Party Supply Agreements applicable to such Services (**Supplier Obligations**); and
 - (b) (notwithstanding that the Customer is not a party to the Third Party Supply Agreements) any breach by the Customer's Representatives of any of the provisions of Clause 7.2 (**Representative Breach**) in relation to the Third Party Software could cause the Supplier to be in breach of the terms of the Third Party Supply Agreements (**Third Party Supply Agreement Breach**); and
 - (c) in the event of a Third Party Supply Agreement Breach, the Supplier may be unable to provide the Services which are the subject of the Third Party Supply Agreement Breach in accordance with the terms of this Agreement.
- 7.2 In order to enable the Supplier to comply with the Supplier Obligations, the Parties acknowledge and agree that the Customer shall ensure that all applicable Representatives are notified of, and agree to abide by, the terms of the Information Security Policy.
- 7.3 The Supplier agrees to notify the Customer in writing as soon as practicable of it becoming aware of any potential Representative Breach and to supply such information in relation to the potential Representative Breach as may be reasonably agreed by the Parties.
- 7.4 The Customer agrees to notify the Supplier in writing as soon as practicable of it becoming aware of any potential Representative Breach and to supply such information in relation to the potential Representative Breach as may be reasonably agreed by the Parties.

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- 7.5 As soon as reasonably practicable following the issue of any notice by either Party under Clause 7.3 or 7.4, the Parties shall discuss and agree the remedial action required to be taken (if any) to remedy the Representative Breach and prevent any re-occurrence of the applicable Representative Breach which, once agreed, will be implemented by the Customer (with the Supplier's reasonable assistance, if required) at its own Cost in accordance with the timescales agreed by the Intelligent Client Function. Additionally the Parties shall consider and agree the conduct of any claim or proceedings brought by the Third Party Supplier in respect of any Representative Breach and in doing so the Parties will use reasonable endeavours to mitigate any Liabilities in relation to the same.
- 7.6 The Customer acknowledges and agrees as follows:
- (a) the Supplier shall not be liable to the Customer for any failure by the Supplier to supply any Services which are the subject of a Third Party Supply Agreement Breach arising as a result of any Representative Breach for the duration of the Representative Breach; and
 - (b) (notwithstanding any failure by the Supplier to supply the Services in accordance with the provisions of sub-clause (a) above) the Customer shall not be relieved of its obligations to pay the Charges otherwise due in respect of any Services which are the subject of a Third Party Supply Agreement Breach arising as a result of any Representative Breach for the duration of the Representative Breach.
- 7.7 In the event that a Third Party Supplier gives notice to the Supplier of its intention to terminate a Third Party Supply Agreement for reasons beyond the reasonable control of the Supplier:
- (a) the Supplier shall promptly notify the Customer of the receipt of such notice (including (where applicable) in advance of the termination of the Third Party Supply Agreement), setting out the reasons for the termination; and
 - (b) the Parties shall use reasonable endeavours to agree in good faith and implement alternative means of continuing the provision of any relevant Service including, without limitation, the appointment of a new Third Party Supplier. The Supplier agrees that any action taken under or in connection with this sub-clause (b) shall not affect the Charges or the Supplier's obligation to provide the Services.
- 7.8 If there is no agreement pursuant to Clause 7.7(b) then either Party may (on notice in writing to the other) terminate the relevant element of the Service upon the date of termination of the applicable Third Party Supply Agreement or such other date as may be agreed by the Parties. If it is an element of a Service that is terminated, the Customer shall be entitled to a reduction in the Charges payable pro rata to the reduction in the scope of the Services. Clauses 18 and 19 shall apply in respect of the relevant terminated element of the Service. For the avoidance of doubt, the remainder of this Agreement which is unaffected by the non-provision of the applicable element of the Service shall remain in full force and effect without alteration unless otherwise agreed by the Parties in accordance with the Change Control Procedure.

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7.9 If, in the reasonable opinion of the Customer, the performance by any Third Party Supplier of any of Supplier's obligations under this Agreement is not in accordance with this Agreement, the Customer will raise the same with the Supplier and the Parties shall discuss what remedial action (if any) is to be taken, such action to be agreed in writing by both Parties.

8. RECORD KEEPING

8.1 The obligations in this Clause 8 are subject to Clauses 6, 10 and 21.1 of this Agreement.

8.2 During the term of this Agreement and for a period of (i) 6 (six) years (in the case of the Supplier); and (ii) 1 (one) year (in the case of the Customer) after the date of termination or expiry of this Agreement (or such longer period as may be required by law or Regulatory Requirements):

(a) the Supplier shall maintain and keep:

- (i) secure accurate records and accounts relating to the performance of the Services and its obligations under this Agreement;
- (ii) an audit trail of the Charges charged and invoiced by it under this Agreement;
- (iii) copies of its Policies; and
- (iv) any other relevant information to which an audit is permissible under Clause 9 and/or which any Regulator is entitled to require the Supplier to keep (including, without limitation, under section 165 of FSMA);

(collectively the **Supplier Records**); and

(b) the Customer shall maintain and keep:

- (i) secure accurate records and accounts relating to the Customer's compliance with the provisions of Clause 7.2;
- (ii) an audit trail of the Charges paid by it under this Agreement; and
- (iii) copies of its Policies;

(collectively the **Customer Records**).

8.3 During the term of this Agreement and for a period of 6 (six) years after the date of termination or expiry of this Agreement (or such longer period as may be required by law or Regulatory Requirements) the Supplier shall, on receipt of reasonable written notice, provide the Customer with copies of the Supplier Records as reasonably required to enable the Customer to monitor the Supplier's compliance with this Agreement.

8.4 During the term of this Agreement and for a period of 1 (one) year after the date of termination or expiry of this Agreement (or such longer period as may be required by law or Regulatory Requirements) the Customer shall, on receipt of reasonable written notice, provide the Supplier with copies of the

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Customer Records as reasonably required to enable the Supplier to monitor the Customer's compliance with this Agreement.

- 8.5 In the event that the Customer requires any reasonable information, records, access to premises or assistance in respect of a Third Party Supplier's involvement in the provision of the Services, the Supplier shall use reasonable endeavours to assist with and facilitate such request, including (without limitation) seeking the co-operation of and liaising with the relevant Third Party Supplier.

9. AUDIT

- 9.1 The Supplier shall during the term of this Agreement and for a period of 2 (two) years after the expiry or termination of this Agreement, permit the Customer and/or its audit representatives (including its internal or external auditors,) (**Auditors**) to have such access to the Supplier's premises and to any of the Supplier's personnel, Systems and relevant Supplier Records as may be required in order to undertake verification that the Services are being provided in accordance with this Agreement and that the Supplier is complying with all other obligations contained in this Agreement;
- 9.2 The Customer in conducting an audit shall do so at its own cost and provide reasonable prior written notice.
- 9.3 Unless otherwise agreed in writing, access to the Supplier's premises for the purposes of an audit shall be granted only during Working Hours and at a time reasonably acceptable to the Supplier.
- 9.4 In conducting an audit, the Customer shall use reasonable endeavours to minimise any inconvenience or disturbance to the normal operations of the Supplier's business.
- 9.5 In conducting an audit in accordance with this Clause 9, the Customer and its Auditors may take copies as reasonably necessary of any Confidential Information, Supplier Records and other documents, but only to the extent relevant to the performance of the Supplier's obligations under this Agreement or for the purposes of an audit or the effective supervision of the performance of the Services and as permitted by law or Regulatory Requirements. The Customer shall not cause the Supplier to breach any obligations of confidentiality owed to third parties.
- 9.6 If, as a result of an audit the Customer finds that the Supplier has materially failed to perform its obligations under this Agreement, then the Parties shall use all reasonable endeavours to agree a Remediation Plan and a timetable for achievement of the planned actions and/or improvements.
- 9.7 If any audit or inspection report prepared following an audit or inspection reveals any overcharging by the Supplier an appropriate credit equivalent to the amount of overcharge shall be made against the next Charges invoice raised by the Supplier following the identification of such overcharge.
- 9.8 Within 90 (ninety) days of the Commencement Date and annually thereafter, the Supplier will provide a copy of its annual audit plan to the Customer or extracts of the same as they relate to this Agreement and the provision of the Services and the obligations of the Supplier hereunder. The Supplier agrees

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to provide any updates to its annual audit plan as soon as practicable following such updates.

- 9.9 The Supplier shall provide to the Customer a copy of any extracts from any reports prepared by the Supplier's external auditors and a copy of any extracts from any internal audit reports relating to the Services and which are designated by the Supplier as "significant" or above (being a fundamental issue which should be addressed as soon as possible) together with audit report listings with gradings and indication of the scope of the audit as soon as the same are received by or produced by the Supplier and in any event within 15 (fifteen) Business Days of receipt or production.
- 9.10 This Clause 9 shall survive the Term of this Agreement for a period of 2 (two) years from the Termination Date (for whatever reason), or any longer period required by applicable Regulatory Requirements.

10. COMPLIANCE WITH REGULATORY REQUIREMENTS

10.1 The Parties shall each:

- (a) comply with their respective obligations under clauses 15.1(d) and 15.2(c) regarding compliance with the Regulatory Requirements;
- (b) obtain and maintain in force all licences, consents, permits and approvals of Regulators that are necessary in connection with this Agreement to enable each Party to perform its respective obligations hereunder (**Regulatory Approvals**); and
- (c) without limiting sub-clauses (a) or (b), comply with appropriate procedures concerning money laundering and practices, procedures and guidance issued by relevant Regulators in connection with this Agreement.

10.2 Notwithstanding the provisions of Clause 4, in the event that either Party reasonably determines that a change to any of the Services and/or any term of this Agreement is required as a result of any change in Regulatory Requirements (**Regulatory Change**):

- (a) that Party shall notify the other Party in writing of the extent of the Regulatory Change; and
- (b) the Parties shall review the Regulatory Change in accordance with the Change Control Procedure and (as part of such review):
 - (i) the Supplier shall notify the Customer of the steps proposed to be taken to implement the Regulatory Change in order to ensure compliance with the Regulatory Requirements following such implementation (such notice shall be of a level of detail to demonstrate compliance to the Customer's reasonable satisfaction); and
 - (ii) the Customer shall notify the Supplier of any steps (in addition to those detailed in sub-clause (i) above) required to be taken by the Customer or by the Supplier on behalf of the Customer; and

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- (iii) the Parties shall agree all steps proposed to be taken in order to implement the Regulatory Change.

10.3 Following such agreement, the Parties shall take such agreed steps to implement the Regulatory Change within such timescales as may be agreed by the Parties in accordance with the Change Control Procedure.

10.4 Notwithstanding the provisions of Clause 4, in the event that a Party reasonably determines that a change to any of the Services and/or any term of this Agreement is required as a result of or to prevent any breach or potential breach by either Party of any Regulatory Requirements applicable to or arising in connection with this Agreement which has or may have effect upon the other and which is capable of being remedied (**Regulatory Breach**):

11. STEP IN RIGHTS

11.1 Without prejudice to any of the Customer's other rights and remedies under this Agreement or at law, the Customer may in its sole discretion take action under this Clause 11 in the following circumstances:

- (a) there is a failure by the Supplier that is materially preventing or materially delaying the performance of the Services or any part of the Services; and/or
- (b) there is a breach (or a number of breaches) of this Agreement by the Supplier that has a material affect on the ability of Customer to properly continue the operation of the Scheme or materially breach the Scheme Rules (including, without limitation, in accordance with any Regulatory Requirements);

(individually or collectively a **Step-in Incident**).

11.2 Before the Customer exercises its right of step-in, the Customer shall notify the Supplier of the Step-in Incident and the Parties shall meet as soon as reasonably practicable to discuss the Step-in Incident, determine whether a Step-in Incident has occurred and (where it is agreed that a Step-in Incident has occurred) agree a plan for the Supplier to remedy the Step-in Incident, including (without limitation) timescales for executing such remedy based on the significance of the Step-in Incident to the Scheme. Where the Supplier has failed to remedy the Step-In Incident within the timescales agreed or the matter has not been resolved through the Escalation Management Process, the Customer may exercise its right to step-in by issuing written Notice (Step-In Notice).

11.3 Step In shall take effect from the date and time stated in the relevant Step In Notice. During the Step In Period the Customer (or a third party nominated by the Customer) will manage and/or supervise performance of the Step In Services to the extent detailed in the relevant Step In Notice (or subsequently notified by the Customer to the Supplier).

11.4 The Supplier shall co-operate fully and in good faith with the Customer.

11.5 Before ceasing to exercise its step-in rights the Customer shall deliver a written notice to the Supplier specifying the date on which the Customer plans to end its step-in rights, subject to the Customer being satisfied with the

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Supplier's ability to execute any further plans or corrective measures that have been agreed between the Parties.

- 11.6 If the Supplier is able to remedy the relevant Step-In Incident and/or to successfully put in place arrangements to ensure that it does not recur, then the Supplier may serve Notice (a "Step Out Notice") on the Customer requesting that the Supplier resume provision of the Services. The Supplier will provide the Customer with all information that the Customer reasonably requires to verify that the Supplier will be able to provide the Services. If the Customer acting reasonably is satisfied that the Supplier will be able to provide all of the Services, the Customer will serve not less than five (5) Business Days' written notice (a "Re Commencement Notice") requiring the Supplier to resume provision of the Services and at the date and time specified in that Notice the Supplier will resume provision of the Step In Services.
- 11.7 If the Customer elects to use a third party to perform and/or supervise or manage the Step In Services, the Customer shall procure that such third party enters into a confidentiality agreement in favour of the Supplier in a form which is substantially similar to the terms and conditions set out in this Agreement. The Supplier may also specify such further reasonable restrictions as may be required to ensure its own compliance with Applicable Law provided these do not prevent the Customer, its Representatives or any third parties nominated by the Customer from executing a Step In.

12. LICENCES OF INTELLECTUAL PROPERTY RIGHTS

12.1 Nothing in this Agreement shall:

- (a) operate to transfer, assign or otherwise grant either Party any right or interest in the other Party's Intellectual Property Rights, other than the licences granted in this Clause 12; or
- (b) affect the ownership by either Party or its licensors of Intellectual Property Rights existing at the Effective Date.

12.2 The Intellectual Property Rights in any software or other materials (including rights in relevant Third Party Software and any Proprietary Software) supplied, created or developed by, or on behalf of, the Supplier Group after the Commencement Date are, and shall remain, the exclusive property of the Supplier Group or its licensors.

12.3 The Intellectual Property Rights in any software or other materials (including rights in relevant Third Party Software and any Proprietary Software) supplied, created or developed by, or on behalf of, the Lenders after the Commencement Date are, and shall remain, the exclusive property of the Lenders or its licensors.

12.4 Subject to Clause 7.2, the Supplier grants to the Customer a royalty-free, non-exclusive, non-sublicenseable, non-transferable (except as permitted under Clause 31) licence to use any Intellectual Property Rights owned by the Supplier, and any Intellectual Property Rights owned by a third party and licensed to the Supplier, during the term of this Agreement, solely to the extent required for the purposes of:

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- (a) receiving the Services under this Agreement; or
 - (b) operating the Scheme.
- 12.5 The Customer grants to the Supplier a royalty-free, non-exclusive, non-sublicenseable, non-transferable (except as permitted under Clause 31) licence to use any Intellectual Property Rights owned by the Customer, and any Intellectual Property Rights owned by a third party and licensed to the Customer during the term of this Agreement, solely to the extent required for the purpose of performing the obligations of the Supplier under this Agreement.

13. CHARGES AND PAYMENT

- 13.1 The Customer shall pay the Charges to the Supplier quarterly in advance in consideration of the performance of the Services to be provided in accordance with Schedule 2.
- 13.2 Payment of the Charges shall be made by Electronic Funds Transfer to the Supplier in pounds sterling in full and in cleared funds.
- 13.3 Where this Agreement places an obligation on the Customer to pay any Costs such Costs shall only become payable once approved in writing by the Customer, such approval not to be unreasonably withheld or delayed. Where possible the Supplier shall use reasonable endeavours to provide the Customer with an estimate of the Costs prior to incurring the same.
- 13.4 If the Customer believes the amount of any Charges invoiced by the Supplier is incorrect, then:
- (a) the Customer will inform the Supplier of the amount which is disputed and the reason for the dispute, within 15 (fifteen) days of the date of receipt of the invoice;
 - (b) the Parties will, working in good faith, promptly investigate the reasons for the dispute and agree any amendment required to the invoice; and
 - (c) where, on completion of the investigation, a change in the amount to be invoiced is agreed, the Supplier will issued an amended invoice.
- 13.5 Neither Party shall be entitled to set off or reduce payments by any amounts that it claims are owed to it by the other Party under this Agreement unless agreed by both Parties in writing.

14. VAT

- 14.1 For so long as the Supplier and the Customer are members of the same VAT Group, any sum payable under the terms of this Agreement (and any adjustment thereto) including, without limitation, the Charges, are exempt from VAT and accordingly no additional amount shall be payable in respect of VAT by either Party.
- 14.2 In the event that the Supplier, the Customer cease to be members of the same VAT group, with the result that VAT then becomes due or payable in respect of any sum payable under the terms of this Agreement (and any

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adjustment thereto) including, without limitation, the Charges, the Parties agree:

- (a) that any such sum shall (from the date on which the applicable party ceased to be a member of the VAT group and the VAT liability therefore arose) be deemed to be exclusive of any amounts in respect of VAT and shall be payable by the Customer upon receipt of a valid VAT invoice in accordance with the provisions of Clause 13; and
 - (b) (notwithstanding the provisions of sub-clause (a) above) to use their best endeavours (as soon as reasonably practicable prior to either of the Supplier or the Customer ceasing to be members of the same VAT group) to identify, agree and apply any VAT exemptions to any such sums and/or take such steps as may be reasonably necessary to mitigate the VAT liability hereunder.
- 14.3 Without prejudice to Clause 14.1, where the Supplier makes or has made a supply for VAT purposes to the Customer under this Agreement, the Supplier shall, if requested by the Customer, issue a valid VAT Invoice in respect of that supply.

15. WARRANTIES AND INSURANCE

15.1 The Supplier warrants, at all times whilst the Services are required to be provided, that:

- (a) it has the corporate power, capacity and authority to enter into, and perform its obligations under, this Agreement and subject to clause 10.1(b) in respect of Regulatory Approvals it has and shall continue to have full licences, permissions and consents necessary and desirable to enter into and enable it to perform its obligations under this Agreement;
- (b) subject to Clauses 7, and 15.3, it has adequate resources to perform the Services in accordance with the Service Levels;
- (c) subject to Clause 15.3, the Services will be performed and managed by a sufficient number of appropriately experienced, qualified and trained professional service personnel with due skill, care and diligence;
- (d) it has and will continue to comply in all material respects with all Regulatory Requirements that apply to it as a Supplier of the Services in the performance of its obligations under this Agreement;
- (e) subject to Clause 7, it has and will continue to have all necessary rights in and to the Proprietary Software and the Third Party Software made available for use by the Supplier under this Agreement in order to provide the Services;
- (f) there are no actions, suits or proceedings or regulatory investigations pending, or to the Supplier's knowledge, threatened against or affecting the Supplier that might affect the ability of the Supplier to meet and carry out its obligations under this Agreement; and
- (g) (other than in relation to any access and/or use necessary for the purposes of this Agreement) it will not access or use (or permit any member of the Supplier Group to access or use) any Confidential Information of the Customer for its own business purposes and/or for its own benefit where such

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Confidential Information is capable of being viewed or accessed by the Supplier (whether via the Supplier's Systems or otherwise) in its capacity as a Supplier of the Services.

15.2 The Customer warrants that:

- (a) it has the corporate power, capacity and authority to enter into, and perform its obligations under, this Agreement and it has and shall continue to have full licences and consents necessary or desirable to enable it to perform its obligations under this Agreement;
- (b) (other than in relation to any access and/or use necessary for the purposes of this Agreement) it will not access or use (or permit any member of the Lenders to access or use) any Confidential Information of the Supplier for its own business purposes and/or for its own benefit where such Confidential Information is capable of being viewed or accessed by the Customer (whether via the Supplier's Systems or otherwise) in its capacity as a recipient of the Services;
- (c) it has and will continue to comply in all material respects with all Regulatory Requirements that apply to it as a recipient of the Services in the performance of its obligations under this Agreement; and
- (d) there are no actions, suits or proceedings or regulatory investigations pending, or to the Customer's knowledge, threatened against or affecting the Customer that might affect the ability of the Customer to meet and carry out its obligations under this Agreement.

15.3 Except as set out expressly in this Agreement, all warranties and representations relating to the Services or this Agreement, whether express or implied, are excluded to the maximum extent permitted by law.

15.4 In the event that Liabilities of the Supplier are caused by the failure or breach of a Third Party Supplier, the Supplier shall use reasonable endeavours to recover the maximum permitted amount under such Third Party Supply Agreement, subject to the Customer paying all Costs associated with recovering any loss suffered by the Supplier associated with such breach or failure of a Third Party Supplier.

15.5 The limitations and/or exclusions shall not apply to liability:

- (a) for death or personal injury;
- (b) for fraudulent misrepresentation;
- (c) that cannot be excluded or limited by law;

15.6 In relation to any loss or damage that may give rise to a claim under this Agreement against the other Party, each Party shall take all reasonable steps to avoid or mitigate that loss or damage, including by pursuing any relevant third party in respect of the loss or damage.

15.7 The Supplier shall provide to the Customer from time to time, at the Customer's written request, made on such occasions as the Customer may reasonably require, evidence or existence of any insurance policies and of payment of the premiums in respect thereof. Without prejudice to the generality of the

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foregoing, the Customer shall have the right to inspect copies of the policies in respect of such insurance and the schedules to such policies. The Supplier shall provide to the Customer from time to time, at Customer's request copies of such policies and schedules.

16. DURATION

16.1 This Agreement commences on the Effective Date, and subject to earlier termination in accordance with the terms of this Agreement or otherwise in operation of law, shall continue in force until the Termination Date.

17. TERMINATION

17.1 Either Party may terminate this Agreement or the relevant part of the Services by written notice to the other if that Party commits any breach or act or omits to do any act or thing in relation to the operation or management of the Scheme which causes or, in the reasonable opinion of the non-defaulting Party, may cause, any material loss or damage to the reputation of the non-defaulting Party or any member of its Group.

17.2 The Customer may terminate this Agreement for convenience by serving 60 (sixty) days' written notice on the Supplier.

17.3 Either Party may terminate all or part of the Services or this Agreement by written notice to the other if:

- (a) the other Party commits a material breach of this Agreement and, in the case of a breach that is capable of remedy, fails to remedy that breach within 60 (sixty) days of receipt of a written notice giving full particulars of the breach and requiring it to be remedied; or
- (b) the other Party commits or is deemed to have committed a material breach or Persistent Breach which is incapable of remedy.

17.4 In the event that at any time:

- (a) a Party becomes aware or announces publicly an event giving rise to an actual or potential financial loss which is material to the ability of that Party to continue to comply with its obligations under this Agreement; or
- (b) there is a public investigation into improper financial accounting and reporting, suspected fraud or any other impropriety of a Party;

that Party (**notifying party**) shall notify the other Party (**recipient**) as soon as reasonably practicable and in any event within 2 (two) Business Days after it becomes aware of such event and, if so requested by the recipient, shall meet with the recipient as soon as practicable to review the relevant event and, where such an event has, or is likely to have a material impact on the provision or receipt (as the case may be) of all or part of the Services, the Parties, acting in good faith, shall use all reasonable endeavours to agree an outcome to ensure the performance or continued performance of the notifying party's obligations in a form and manner satisfactory to the recipient (acting reasonably). In the event that the Parties cannot agree such an outcome to the recipient's satisfaction (acting reasonably), the recipient may terminate this Agreement with immediate effect by notice in writing to the notifying party.

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17.5 Without prejudice to the provisions of Clause 25, if a Force Majeure Event continues for a period of more than 30 (thirty) consecutive days, the Unaffected Party may, by immediate written notice to the Affected Party, terminate any part of the affected Services or this Agreement if applicable and such termination shall be without any penalty (financial or otherwise) being imposed on the Unaffected Party.

17.6 Subject to Clause 18.2(b), any reference to an ability for the Customer to terminate this Agreement and/or the Services shall entitle the Customer, subject to paying all the applicable Termination Charges, to terminate all of the Services or each and any Services (in whole or in part).

17.7 Termination of a Service shall not relieve the Supplier from its obligations to provide the remaining Services.

18. CONSEQUENCES OF TERMINATION

18.1 Subject always to the provisions of Clause 19, on termination of a Service or termination (for whatever reason) or expiry of this Agreement:

- (a) except as otherwise provided, and subject to any rights or obligations that have accrued prior to termination or expiry and, in the case of the Customer payment of the Termination Charges, neither Party shall have any further obligation to the other in respect of this Agreement or the terminated Service (as appropriate);
- (b) subject to Clause 10 and except to the extent required for the performance of its remaining obligations under this Agreement or its ongoing Regulatory Requirements and responsibilities or as otherwise agreed by the Parties in writing, each of the Supplier and the Customer shall:
 - (i) return or deliver to the other all records and documents; and
 - (ii) conduct an orderly handover of all data (including, without limitation, the Customer Data and/or the Supplier Data) from any System in its possession or control or that of any of its Group (to the extent that the data (including, without limitation, the Customer Data and/or the Supplier Data) has not been returned or delivered under (i)) and, upon notification from the other, use reasonable endeavours to expunge all data (including, without limitation, the Customer Data and/or the Supplier Data) from any System in its possession or control or that of any of its Group,

in each case to the extent the records, documents or data (including, without limitation, the Customer Data and/or the Supplier Data) contain Confidential Information of the other Party (or its Group), or, at the other Party's direction, shall destroy them, and certify that the destruction has taken place. The Party returning, expunging or destroying the Confidential Information may retain a copy of the Confidential Information for the purposes of, and so long as required by, any applicable law, court or Regulator or its internal compliance procedures, and copies of any computer records and files containing any Confidential Information that have been created pursuant to automatic archiving and back-up procedures but shall keep such records separate and shall not use or access them for any purpose other than as set out in this Clause 18.1(b);

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18.2 On termination of a Service:

- (a) subject to Clause 13.4, the Customer shall within 30 (thirty) days from the date of receipt by the Intelligent Client Function of a valid invoice pay all undisputed Charges accrued but not yet paid in relation to the terminated Service (to the extent that such Charges can be allocated to that specific Service); and
- (b) pay the Termination Charges.

18.3 Subject to Clause 13.4, on termination or expiry of this Agreement, the Customer shall within 30 (thirty) days from the date of receipt by the Intelligent Client Function of a valid invoice pay all undisputed Charges that have not already been paid (such amounts to be the sum of (i) the pro rata Charges payable by the Customer for the month or part month elapsed as at the date of termination or expiry; and (ii) any accrued, undisputed but unpaid Charges for previous months.

18.4 On termination of a Service and/or termination or expiry of this Agreement, the Customer shall be liable for all Costs (if any) payable by the Supplier to a Third Party Supplier.

18.5 The Surviving Provisions, together with any other Clause reasonably intended to survive termination, shall survive termination of this Agreement or a Service.

19. EXIT PLANNING

19.1 The Parties agree that formal exit plan provisions are required to facilitate the orderly transfer of the Services from the Supplier to the Customer or a Replacement Supplier on expiry or full or partial termination of this Agreement (the **Final Transfer**).

19.2 Within 6 (six) months of the Effective Date, the Parties shall use their reasonable endeavours (acting bona fide and in good faith in all the circumstances) to jointly produce and agree in writing an overall exit plan for the management of the Final Transfer in accordance with Schedule 4 (the **Exit Plan**). Such Exit Plan shall also be jointly maintained and monitored by the Parties during the term of this Agreement. In the event that the Parties are unable to agree the Exit Plan in accordance with the above provisions, either Party may refer the issue for determination in accordance with the Escalation Management Process.

19.3 In preparation for production of the Exit Plan, the Parties shall co-operate to identify and shall disclose to each other the interfaces required by the Customer to complete its migration away from the Services at the end of the term of this Agreement.

19.4 Upon either the expiry of this Agreement (or such other period prior to expiry as may be detailed in the relevant Exit Plan) or receipt by a Party of a notice issued by the other Party in relation to the termination of a Service or this Agreement, the relevant Exit Plan shall become effective and shall be implemented and completed by the Parties in accordance with the timescale(s) detailed in the Exit Plan or as otherwise agreed by the Parties.

19.5 Subject to any provisions to the contrary in the relevant Exit Plan and/or as otherwise agreed by the Parties in writing, the Parties agree that the Services shall continue to be (i) provided hereunder by the Supplier; and (ii) invoiced to and payable

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by the Customer in accordance with the terms of this Agreement during the period of implementation of such Exit Plan.

19.6 The Parties acknowledge and agree that the activities detailed in the relevant Exit Plan may not be completed prior to the expiry of this Agreement and/or during any notice period required to be given by a Party to the other to terminate a Service or this Agreement. However, the Parties further acknowledge and agree that the expiry and/or termination of a Service or this Agreement prior to the completion of the relevant Exit Plan shall not (a) relieve either Party of its obligations to comply with such Exit Plan; or (b) affect the continuation of any provisions of this Agreement which relate to the implementation of such Exit Plan notwithstanding the expiry and/or termination of this Agreement.

19.7 Subject always to any alternate arrangements detailed in the relevant Exit Plan, and in consideration of payment by the Customer of the Exit Assistance Costs in accordance with the provisions of Clause 13, the Supplier shall provide the Exit Assistance to the Customer (subject to and in accordance with such provisions of this Agreement which relate to the provision of such Exit Assistance notwithstanding the expiry and/or termination of this Agreement) during the Exit Assistance Period.

20. EMPLOYEES

20.1 Notwithstanding the possible application of the Transfer Regulations upon any Service Cessation, it is the Parties' common intention that the Transfer Regulations will not apply to any Service Cessation and will not have the effect of transferring any contract of employment of any Supplier Employee from the Supplier to the Customer at any time.

20.2 The Supplier will use reasonable endeavours to consider suitable alternative employment elsewhere within its business for any Supplier Employees upon any Service Cessation.

20.3 In the event that any such Supplier Employees cannot be redeployed under Clause 20.2 by the Supplier upon any Service Cessation with the result that the Supplier has to make such individuals redundant, the Customer agrees to pay all Termination Payments which the Supplier is obliged to make. The Supplier undertakes to provide to the Customer copies of any redundancy policies applicable to such Supplier Employees prior to any individuals being made redundant.

20.4 If, upon any Service Cessation, any contract of employment of a Supplier Employee is deemed to have been effected between the Customer (or any new Supplier appointed to replace the Supplier) (together "the Transferee") and such a Supplier Employee as a result of the Transfer Regulations, then:

- (a) the Transferee may within 30 Business Days of becoming aware of the application of the Transfer Regulations to any such contract, terminate such contract; and
- (b) when reasonably required to do so by the Transferee, the Supplier will assist the Transferee in defending any proceedings against the Transferee in connection with the termination of any such contract of employment.

21. CUSTOMER DATA

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21.1 As between the Supplier and the Customer, the Customer is to be treated as the owner of Customer Data and the Supplier acknowledges that Customer Data is the property of the Customer. All Intellectual Property Rights in or to Customer Data shall vest in the Customer unconditionally and immediately on their creation. The Supplier assigns to the Customer absolutely with full title guarantee (or such title as it holds with limited title guarantee) all right, title and interest (present and future) in any Intellectual Property Rights in Customer Data.

21.2 The Customer grants the Supplier a royalty-free and non-exclusive licence (with the right to sub-license to Third Party Suppliers solely to the extent necessary to provide Services to the Customer) for the Term to use Customer Data on the terms of this Agreement for the purpose of providing the Services to the Customer in accordance with this Agreement.

21.3 The Supplier shall store, copy or use Customer Data only to the extent necessary to perform its obligations under this Agreement. The Supplier shall keep Customer Data logically segregated from all other data (including Supplier's own data and the data of any other customer of the Supplier).

21.4 The Supplier shall not disclose Customer Data to any Third Party (other than Third Party Suppliers pursuant to Clause 21.2) without the Customer's prior written consent except if required to do so by a Regulatory Requirement. The Supplier shall not disclose Customer Data to any of the Supplier's customers or to any Third Party save as expressly permitted under this Agreement.

21.5 If any part of Customer Data ceases to be required by the Supplier for the performance of its obligations under this Agreement, and in any event at the end of the Exit Assistance Period, the Supplier shall promptly return that Customer Data to the Customer.

21.6 If any Customer Data is corrupted, lost or degraded as a result of the Supplier's failure to comply with any of the Customer's Policies or any other breach by Supplier of this Agreement, Supplier shall, without limiting the Customer's other rights or remedies, carry out any remedial action necessary to restore or replace the corrupted, lost or degraded Customer Data.

21.7 In all other circumstances not covered by Clause 21.6, if Customer Data is corrupted, lost or degraded, Supplier shall carry out, so far as it is reasonably capable, those remedial actions which are reasonably necessary to restore Customer Data as Customer may reasonably require and at the Customer's cost and expense.

21.8 If and to the extent Customer Data comprises Relevant Personal Data, this shall be processed always in accordance with Clause 22.

22. DATA PROTECTION

22.1 For the purposes of this Clause 22, the terms ***processing*** (and its derivatives), ***personal data***, ***data controller***, ***data processor***, and ***data subject*** shall have the meanings given in the DPA.

22.2 In relation to personal data processed by the Supplier in connection with the provision of the Services or the performance of the Supplier's other obligations under this Agreement, it is agreed that, other than in relation to personal data relating to

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Supplier Employees, the Lender is the data controller and the Supplier is the data processor.

22.3 Neither Party shall do or omit to do anything which would cause the other Party to be in breach of its obligations under the Data Protection Legislation.

22.4 The Supplier shall from time to time comply with any request made by the Customer to evidence compliance with the measures mentioned in this Clause 22, in sufficient detail to enable the Customer to determine compliance with Data Protection Legislation under the terms of this Agreement.

23. BUSINESS CONTINUITY AND DISASTER RECOVERY

23.1 During the term of this Agreement and any Exit Assistance Period, the Supplier shall use reasonable endeavours to follow in all material respects the Business Continuity Policy and the contingency arrangements described therein in the event of a Disaster. Such implementation will be in accordance with any timescales outlined in the Business Continuity Policy.

23.2 Either Party shall notify the other Party in writing as soon as reasonably practicable if a Disaster occurs which requires the activation of the Business Continuity Policy (such notification to be given if practicable prior to the issue of any notification to the press or other media).

23.3 In the event of a Disaster:

- (a) the Supplier shall immediately activate the Business Continuity Policy; and
- (b) each Party will comply with their respective obligations pursuant to the Business Continuity Policy; and
 - (i) the Supplier shall provide the Customer with details of how the Supplier managed or is managing the Disaster which resulted in the activation of the Business Continuity Policy (where such activation related solely to the Supplier's ability to deliver the Services). Without prejudice to the generality of the foregoing, the Supplier shall also provide a representative of appropriate seniority and experience (at no additional cost) to update and inform the Customer's Crisis Management Team (that shall oversee the management of the Disaster arrangements from the perspective of the Customer of the Disaster arrangements and act as a focal point in respect of the Supplier's Disaster arrangements for the duration of the Disaster. Subject always to approval in accordance with the Change Control Procedure, the Parties shall agree any consequential amendments proposed to be made to the Supplier's processes and/or procedures as soon as reasonably practicable after the Disaster.

23.4 The Supplier shall, in conjunction with the Customer's reasonable requirements, develop and comply with a schedule of planned business continuity and disaster recovery tests, to be carried out at least once each Year to evidence the appropriateness of the procedures detailed in the Business Continuity Policy. The Customer shall be entitled to participate in such tests as it may reasonably require (provided always that such tests are of relevance to the Customer's receipt of the Services hereunder) and the Supplier shall provide written test reports summarising the results of such tests as soon as reasonably practicable following the completion

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of the relevant test. Without prejudice to the foregoing, the Supplier shall provide such reasonable information and assistance in relation to the aforementioned tests as the Customer may require from time to time. Any proposed changes and (subject to Clauses 23.3 and 23.6) the Costs of implementing such changes to the Business Continuity Policy shall be subject to the Change Control Procedure, provided that any amendments to Business Continuity Policy will provide at least the same level of business continuity as the then current Business Continuity Policy.

23.5 Notwithstanding the provisions of Clause 9, the Customer, its auditors and any Regulator shall be entitled to inspect and audit the Supplier's compliance with the Business Continuity Policy provided that reasonable notice has been given to the Supplier.

23.6 The Supplier shall at all times (at its own cost) ensure that its Business Continuity Policy complies with all applicable Regulatory Requirements.

24. CHANGE MANAGEMENT

24.1 Either Party may propose a Change Request (which, for the avoidance of doubt, includes without limitation changes to any of the Schedules of this Agreement).

24.2 Change Requests shall be raised, reviewed and agreed in accordance with the Change Control Procedure.

24.3 No Change Request shall be effective until the appropriate change approval paperwork is agreed and signed by the Parties in accordance with Section 1 of Schedule 1.

24.4 If either Party considers there has been any delay or failure by the other to perform its obligations under this Agreement it may notify the other and the Parties shall meet to discuss whether a Change Request is required.

25. FORCE MAJEURE

25.1 Unless otherwise stated in this Agreement and subject to Clause 25.2, no Party shall be liable for any failure or delay in performing any of its obligations under this Agreement if the failure or delay is due to any severe natural or geological disaster (excluding economic disaster), act of terrorism, civil or public disorder or any industrial action (other than industrial action by employees, contractors or agents of either Party), in each case to the extent that it is beyond its reasonable control (a **Force Majeure Event**).

25.2 The Party affected by the Force Majeure Event (the **Affected Party**) shall promptly give written notice to the other Party (the **Unaffected Party**). The notice shall contain the following information:

- (a) the Force Majeure Event that has occurred;
- (b) the date from which the Force Majeure Event has prevented or hindered the Affected Party in the performance of its obligations under this Agreement;
- (c) the obligations affected; and

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- (d) its best estimate of the date on which it will be able to resume performance of the affected obligations.

25.3 The Affected Party shall use its reasonable endeavours to mitigate the effects of the Force Majeure Event (including, without limitation, where such Force Majeure Event impacts upon the implementation of the Business Continuity Policy) and carry out its obligations and duties in such other ways, including, without limitation and without prejudice to Clause 25.5, by way of alternative resources and/or workarounds, as may be reasonably practicable. The Affected Party shall also use reasonable endeavours to resume performance of the obligations affected by the Force Majeure Event and in the meantime must continue to perform the remainder of its obligations in accordance with the terms of this Agreement.

25.4 Relief from liability provided under this Clause 25 shall last for the duration of the Force Majeure Event only.

25.5 To the extent that the Customer does not receive a Service due to a Force Majeure Event affecting the Supplier, it may engage at its own cost any third party it wishes to provide alternative services, and, in the case of the Customer, shall have no liability to pay the Charges for the affected Service during the continuance of the applicable Force Majeure Event and its engagement of any third party Supplier.

26. DISPUTES

Any Dispute arising between the Parties under this Agreement shall be determined in accordance with the Escalation Management Process.

27. LEGAL RELATIONSHIP

27.1 Nothing in this Agreement is deemed or shall be implied as to constitute a partnership or joint venture between the Parties nor constitute either Party as the agent or employee of the other Party for any purpose. No Party shall hold out the other Party as its partner or joint venture.

28. CONFIDENTIALITY

28.1 **Confidential Information** means:

- (a) (in relation to the obligations of the Customer) any information received or held by the Customer (or any of its Representatives) relating to the Supplier Group and its business and clients and shall include, without limitation, the Supplier Data; or
- (b) (in relation to the obligations of the Supplier) any information received or held by the Supplier (or any of its Representatives) relating to the Customer and Lender Data and shall include, without limitation, the Customer Data; and
- (c) information relating to the provisions and subject matter of, and negotiations leading to, this Agreement,

and includes written information and information transferred or obtained orally, visually, electronically or by any other means.

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28.2 Each of the Supplier and the Customer shall (and shall ensure that each of its Representatives shall) maintain Confidential Information in confidence and not disclose that Confidential Information to any person except:

- (a) as this Clause 28 permits; or
- (b) as the other Party approves in writing in advance of any disclosure.

28.3 Save as permitted with the prior written agreement of the other Party, neither Party shall use Confidential Information for its own purpose, other than for the purpose of exercising its rights and/or performing its obligations under this Agreement.

28.4 Clause 28.2 shall not prevent disclosure by a Party to the extent it can demonstrate that:

- (a) disclosure is required by law, Regulatory Requirements or by any stock or investment exchange or any regulatory, governmental or antitrust body (including any Regulator) having applicable jurisdiction provided that, so far as is practicable, the disclosing Party shall first inform the other Party of its intention to disclose such information and take into account the reasonable comments of the other Party;
- (b) disclosure is of Confidential Information which has previously become publicly available other than through that Party's fault (or that of its Representatives);
- (c) disclosure is required for the purpose of any court, arbitral or judicial proceedings (or any person to whom a Dispute is referred in accordance with this Agreement);
- (d) disclosure is reasonably necessary for the purposes of any tax return, claim, election, surrender, disclaimer, notice or consent relating to the tax affairs of the disclosing Party or any of its Group, or any dispute with, or inquiry or investigation by, any tax authority;
- (e) the receiving Party can prove that such information was in its possession (to the extent that such information was in its possession without restriction on disclosure or use) prior to disclosure by the other party; or
- (f) such information is hereinafter received or obtained (to the extent that such information is hereinafter received without restriction on disclosure or use) other than as a result of the use of information in breach of this Agreement (and the receiving Party can prove it has received) from a third party acting in good faith who did not derive the same unlawfully (to the extent such information was obtained without restriction on its disclosure or use).

28.5 Each Party undertakes that it (and its Group) shall disclose Confidential Information to its Representatives only if the relevant Confidential Information is reasonably required for purposes connected with this Agreement and only if the Representatives are informed of the confidential nature of the Confidential Information.

28.6 Each Party may disclose Confidential Information to Third Party Suppliers if the relevant Confidential Information is reasonably required for purposes connected with this Agreement and where the applicable Third Party Supplier has agreed to be

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bound by obligations of confidentiality (as detailed in a legally binding agreement) which are substantially similar to the obligations imposed upon the disclosing party by the provisions of this Clause 28.

28.7 Nothing in this Clause 28 shall preclude the disclosure of Confidential Information where disclosure is made:

- (a) to The Governor and Company of the Bank of England, HM Treasury and the FCA or any governmental body or competent regulatory or taxation authority, whether in the United Kingdom or elsewhere, or to their advisers (being subject to obligations of confidentiality in respect of the relevant Party); or
- (b) for the purpose of enabling or assisting any member of the The Governor and Company of the Bank of England, HM Treasury and the FCA to discharge its functions as a monetary authority.

28.8 If either Party commits any breach of any provision of this Clause 28 (by act or omission or otherwise), or if it has reasonable grounds to suspect that such a breach will or may occur (**Confidentiality Breach**), that Party (notifying party) will immediately notify the other Party (recipient) of the following (as relevant and if known at the time of production of the written notification):

- (a) the nature and extent of the Confidentiality Breach;
- (b) the date or dates that the Confidentiality Breach occurred;
- (c) the cause of and circumstances surrounding the Confidentiality Breach;
- (d) the expected impact of the Confidentiality Breach, if known or if reasonably foreseeable, including, without limitation, whether it will have or may have a detrimental effect on the Service, Service Levels, the efficiency or cost of the Services or the performance by the Supplier of its obligations or responsibilities under this Agreement and whether any Regulator, including any members of the The Governor and Company of the Bank of England, HM Treasury and the FCA, will need to be notified of the Confidentiality Breach;
- (e) if the Confidentiality Breach is remediable, how the notifying party intends to remedy (in so far as this is possible) and/or prevent the same and/or any future breach including any time period within which the notifying party intends to remedy and rectify the Confidentiality Breach; and
- (f) (subject always to final agreement in accordance with the Change Control Procedure) any changes proposed by the notifying party to ensure that such Confidentiality Breach does not reoccur and/or to prevent any future breach the cost of such proposed changes to be met solely by the notifying party.

28.9 Without prejudice to the provisions of Clause 28.8, the notifying party will use reasonable endeavours to avoid, minimise and mitigate the consequences of the Confidentiality Breach in question.

29. FREEDOM OF INFORMATION

29.1 The Parties acknowledge that the Customer, Supplier, UKAR and HM Treasury are subject to the requirements of FOIA.

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29.2 The Parties shall assist and cooperate with HM Treasury to enable HM Treasury to comply with their information disclosure obligations under FOIA so far as they relate to the provisions of this Agreement.

29.3 In no event shall the Supplier or the Customer respond directly to a request for information made pursuant to the provisions of FOIA and relating to the provisions of this Agreement unless expressly authorised in writing to do so by HM Treasury .

29.4 The Parties acknowledge that (notwithstanding the provisions of Clause 28) HM Treasury may, acting in accordance with the Ministry of Justice's Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of FOIA (the **Code**), be obliged under FOIA to disclose information concerning the Supplier or the Customer in certain circumstances:

- (a) without consulting the Supplier or the Customer (as applicable); or
- (b) following consultation with the Supplier or the Customer (as applicable) and having taken their views into account,

provided that where Clause 29.4(a) applies, HM Treasury shall, in accordance with any recommendations of the Code, take reasonable steps, where appropriate, to give the Supplier or the Customer (as applicable) advance notice of such disclosure, or failing that, to draw the disclosure to the attention of the Supplier or the Customer (as applicable) after it has been made.

30. POWER OF ATTORNEY

The Customer acknowledges that it may be required to grant the Supplier powers of attorney from time to time during the term of this Agreement, to enable the Supplier to provide the Services. Such requirements for any powers of attorney shall be raised and dealt with via the Change Control Procedure.

31. ASSIGNMENT

31.1 Except as provided in Clauses, 31.2 and 31.3, neither Party shall, or shall purport to, assign, transfer or charge any of its rights or obligations under this Agreement nor grant, declare, create, delegate or dispose of any right or interest in it, or sub-contract the performance of any of its obligations under this Agreement without the prior written consent of the other Party. Where an approval to sub-contract is granted, the obligations and principles in Clauses 31.2 shall apply.

31.2 The Supplier may sub-contract the performance of certain of its obligations under this Agreement to the Third Party Suppliers provided that:

- (a) the Supplier ensures that each Third Party Supplier complies with:
 - (i) confidentiality undertakings at least as protective of the other's Confidential Information as those set out in Clause 28; and
 - (ii) provisions equivalent to those set out in Clause 29; and
- (b) the Supplier ensures that each Third Party Supplier has the ability, capacity and any authorisation required by applicable Regulatory Requirements to perform the sub-contracted obligations reliably and professionally.

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31.3 If the Supplier wishes to transfer to a third party all or some of its assets which are used in the provision of one or more of the Services, the Parties shall work together to ensure that mutually acceptable arrangements are made for the continuation of the necessary Services following the transfer. Without prejudice to the foregoing, the Supplier agrees to:

- (a) notify the Customer of any proposed transfer as soon as reasonably practicable in advance of the proposed transfer; and
- (b) to ensure (so far as reasonably practicable) that any proposed transfer does not materially affect the provision of the Services to the detriment of the Customer and/or that the transfer will not result in any variation to the Charges payable by the Customer.

32. FURTHER ASSURANCES

32.1 Except as otherwise provided in this Agreement, each Party shall, perform (or procure the performance of) all further acts and things and shall execute and deliver (or procure the execution and delivery of) such further documents, as may be required by written notice by law or Regulatory Requirement or as may be necessary or desirable to implement and give effect to this Agreement.

33. NOTICES

33.1 Any notice in connection with this Agreement shall be in writing in English and delivered by hand, fax, email, registered post or courier using an internationally recognised courier company. A notice shall be effective upon receipt and shall be deemed to have been received (i) at the time of delivery, if delivered by hand, registered post or courier or (ii) at the time of transmission if delivered by fax or email provided that, in either case, where delivery occurs outside Working Hours, notice shall be deemed to have been received at the start of Working Hours on the next following Business Day.

33.2 The addresses and fax/email numbers of the Parties for the purpose of Clause 33.1 are:

Supplier	Address:	Fax/email:
For the attention of:	UKARcs Limited	[]
Scheme Operations Manager	Croft Road Crossflatts Bingley West Yorkshire	[xxx@xxx]
With a copy to the Company Secretary	BD16 2UA	in respect of the Scheme Operations Manager; and John Gornall in respect of the Company Secretary

Customer	Address:	Fax/email:
For the attention of:	HM Treasury	[]
Intelligent Client Function	1 Horse Guards Road,	[xxx@xxx]

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With a copy to the Office
of the Permanent
Secretary of HM Treasury

London SW1A 2HQ

in respect of the Intelligent
Client Function; and

[] in respect of the
Office of the Permanent
Secretary of HM Treasury

34. ENTIRE AGREEMENT

34.1 This Agreement (together with all other documents to be entered into pursuant to it) constitutes the entire agreement between the Parties in respect of the subject matter of this Agreement and supersedes any previous agreement (whether oral or written) between the Parties relating to the subject matter of this Agreement and:

- (a) each Party acknowledges and agrees that in entering into this Agreement it is not relying upon any pre-contractual statement that is not set out in this Agreement;
- (b) any terms or conditions implied by law in any jurisdiction in relation to the subject matter of this Agreement are excluded to the fullest extent permitted by law or, if incapable of exclusion, any right or remedies in relation to them are irrevocably waived;
- (c) except in the case of fraud or fraudulent misrepresentation, neither Party shall have any right of action against the other Party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement,

provided that this Clause 34.1 shall not limit or exclude any liability for (or remedy in respect of) fraud or fraudulent misrepresentation.

34.2 For the purposes of this Clause 34, **pre-contractual statement** means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement made or given by any person at any time prior to the date of this Agreement.

35. WAIVERS, RIGHTS AND REMEDIES

35.1 Except as expressly provided in this Agreement, no failure or delay by either Party in exercising any right or remedy relating to this Agreement shall affect or operate as a waiver or variation of that right or remedy or preclude its exercise at any subsequent time. No single or partial exercise of any such right or remedy shall preclude any further exercise of it or the exercise of any other remedy.

35.2 No waiver in connection with this Agreements shall be effective unless it is in writing, refers expressly to this Clause 35.2, is duly signed by or on behalf of the Party granting it and is communicated to the other Party in accordance with Clause 33.

36. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and by each Party on separate counterparts. Each counterpart is an original, but all of the counterparts

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shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by e-mail attachment or facsimile transmission shall be an effective mode of delivery.

37. VARIATIONS

37.1 No variation of this Agreement shall be valid unless it is in writing and signed or on behalf of the Parties.

37.2 In this Clause 37, the expression *variation* shall include any variation, amendment, supplement, deletion or replacement however effected.

38. INVALIDITY

Each of the provisions of this Agreement is severable and distinct. If any such provision is, in whole or in part, held to be or becomes invalid or unenforceable in any respect under the law of any jurisdiction, it shall have no effect in that respect and the Parties shall use all reasonable efforts to replace it in that respect with a valid and enforceable substitute provision the effect of which is as close to its intended effect as possible. The remainder of the provisions of this Agreement which are unaffected shall continue in full force and effect.

39. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Notwithstanding any other provision of this Agreement, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms, other than HM Treasury, which shall be entitled to enforce the provisions of Clauses 28 and 29;

40. RIGHTS CUMULATIVE

40.1 The rights and remedies of the Parties in connection with this Agreement are cumulative and, except as expressly stated in this Agreement, are not exclusive of any other rights or remedies provided by law or equity or otherwise. Except as expressly stated in this Agreement (or at law or in equity in the case of rights and remedies provided by law or equity) any right or remedy may be exercised (wholly or partially) from time to time.

41. GOVERNING LAW AND JURISDICTION

41.1 This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by, and interpreted in accordance with, English law.

41.2 Subject to the provisions of Clause 26 and except as expressly provided otherwise in this Agreement, the English courts shall have exclusive jurisdiction in relation to all Disputes and matters arising out of or in connection with this Agreement.

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SCHEDULE 1

SERVICES

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SECTION 1 - OPERATIONAL MANAGEMENT SERVICES

Overall Description - Context

The Supplier shall provide a dedicated 'support Team' (Scheme Administration Team) to operate these services. The Scheme Administration Team will be responsible for engaging with the Customer and the Lenders, in regards to the Scheme, and will also be responsible for engaging with UKAR (its subsidiary companies and Third Party Suppliers).

Summary Of The Services Provided

This section of the Schedule describes the 'Operational Management Service'.

Functional Area	Operational Management Services
<p>The Supplier will provide a dedicated team to operate these services by:</p> <ul style="list-style-type: none"> - recruiting and managing a team to carry out the administration of the Scheme; - ensuring this team are of the necessary expertise to administer the Scheme; and - providing any necessary training required to enable the team to deliver the Services. <p>The Supplier will operate a Service Request process to manage all queries that relate to the Scheme. Service Requests that are received by the Supplier shall be responded to in 24 hours and resolved in 5 Business Days.</p>	

The Customer's responsibilities in regards to the '**Operational Management Services**' provided by the Supplier are as follows:

1. assist the Scheme Operations Manager in the delivery of the Service.

Functional Area	Engagement Services - Supplier To Customer Service Model
<p>The Supplier will provide a Scheme Operations Manager to interface directly with the Customer in regards to Service matters.</p> <p>The Supplier will maintain a Change Control Procedure to control all changes to the Scheme and the Services.</p> <p>The Supplier will prepare a Remediation Plan, where the Services fall below those expected as part of delivering the Scheme.</p> <p>The Supplier will provide (and maintain) to the Customer an 'escalation path' and associated SLAs in regards to responding to escalations for matters relating to the Services and any Service issues - see Appendix 1.</p> <p>The Customer will provide a Service Monitoring and Service Review structure to monitor all aspect of the Services. This shall be known as the 'HM Treasury's Mortgage Guarantee Scheme's Intelligent</p>	

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Client Function' (ICF).

The purpose of the ICF is, on behalf of the Customer, to ensure that the terms of the Agreement are met. The (high level) areas of responsibility are:

- performance management (including performance of the Supplier against terms/service schedule/SLAs);
- relationship management;
- change management; and
- operational support (day-to-day issues such as being the channel for ad-hoc information requests such as PQs and FOIs, etc. Secretariat for governance boards, etc).

The key interlocutor for the ICF is the Scheme Operations Manager.

The Supplier will provide a number of supporting Services to ensure the smooth operation of the Scheme. These shall include:

- completion of VAT returns on behalf of Help to Buy (HM Treasury) in line with normal business requirements;
- provide a cost management service that ensures value for money, transparent cost estimates, necessary banking arrangements to ensure the timely payment of third party suppliers, bank reconciliations, and;
- accurate financial forecasting of the Charges, claims and recharges for the Scheme;
- ensuring that the administration of the Scheme operates in line with all regulations/legal requirements such as (but not limited to) Freedom of Information Act; Data Protection Act; data retention;
- carrying out evaluation of operating risks and any necessary mitigating actions;
- having all necessary business continuity plans in place; and
- the supplier shall provide all I.T. services for the administration of the Scheme.

The Customer's responsibilities in regards to the '**Engagement Services - Supplier To Customer Service Model**' provided by the Supplier are:

2. to attend the Service Reviews;
3. to ensure the Customer's obligations arising from any meetings are completed on time; and
4. work only with the Scheme Operations Manager to discuss I.T. related matters.

Functional Area	Engagement Services - The Supplier to Lender Service Model
	<p>The Supplier will provide a Relationship Management team who will liaise directly with the Lenders in regards to all aspects of the Scheme.</p> <p>The Supplier will operate a Service Request process to manage all queries that relate to the Scheme that are raised by the Lenders to the Supplier. Service Requests that are received by the Supplier shall be responded to in 24 hours and resolved in 5 Business Days.</p>

The Customer's responsibilities in regards to the '**Engagement Services - Supplier To Lender Service Model**' services provided by the Supplier are as follows:

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5. to support the Supplier's position that Lenders should operate communications between the Lender organisation and the Supplier (in regards to Scheme matters) either via their nominated Relationship Manager or the Service Request functionality and not to use any informal channels.

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SECTION 2 - WEB BASED SERVICES

Overall Description - Context

The Supplier shall provide, administer and support one Web-Site (<http://www.ukarcsl.co.uk>), that is to be used by Lenders who wish to register with the Scheme Administrator.

Additional functionality will allow Lenders to access a secured portal (via the Web-Site) which will enable them to work with the Scheme and the Supplier.

Summary Of The Services Provided

This section of the Schedule describes the 'Web Based Services'.

Functional Area	Web Based Services
The Supplier will provide, administer and support a Website that is used by Lenders who are already members of the Scheme or wish to register with the Scheme administrators.	

The Customer's responsibilities in regards to **'Web Based Services'** provided by the Supplier are as follows:

6. provide 'timely' notice of changes required to the web-pages to the Supplier.

SECTION 3 - LENDER SCHEME REGISTRATION & QUALIFICATION SERVICES

Overall Description - Context

The Supplier shall administer and manage a 'Lender Registration Process' on behalf of the Customer with the purpose of screening, reviewing, registering and 'setting up' a Lender to join the Scheme.

Summary Of The Services Provided

This section of the Schedule describes the 'Lender Registration Services'.

Functional Area	Registration Services
	<p>The Supplier will provide a structured Lenders registration process whereby Lenders can register an expression of interest in joining the Scheme.</p> <p>The Supplier will provide a structured approvals process whereby Lenders will formally agree to abide to the Scheme Rules. This process will include the Lender entering into the Deed of Guarantee/Adherence and agreeing to be bound by the Lender policy.</p> <p>The Supplier will provide a service whereby it undertakes to inform Lenders that their application has been approved and undertakes to store all Lender documentation received by the Customer is held in a secure manner.</p>

The Customer's responsibilities in regards to the '**Post Approval Activities**' service provided by the Supplier are as follows:

7. undertake 'approval' activities in a prompt and 'timely' manner; and
8. to inform the Supplier when the Lender Deed of Guarantee, Deed of Adherence and Lender Policy documents have been 'signed-off' by the Customer and provide updates for the 'Deed of Guarantee';
9. provide updates for the 'Deed of Adherence';
10. provide updates to the 'Scheme Rules'.

SECTION 4 - NEW MORTGAGE RECEIPT SERVICES

Overall Description - Context

The 'New Mortgage Receipt Services (Static Data Services)', detail the service provided by the Supplier that are concerned with the automated receipt, from the Lender, of the 'static' elements of the 'Information File', followed by the file validation, data validation, commercial fee calculation and subsequent 'invoice' management and associated reporting.

Summary Of The Services Provided

This section of the Schedule describes the 'New Mortgage Receipt Services (Static Data Services)'.

Functional Area	New Mortgage Receipt Services (Static Data Services)
The Supplier will provide a service to process New Mortgage Receipt data which include the 'static' elements of the Information File followed by the file validation, data validation, commercial fee calculation, invoicing, processing of data and associated reporting	

The Customer's responsibilities in regards to '**New Mortgage Receipt Services**' provided by the Supplier are as follows:

11. facilitate view-only access to the Help to Buy (HM Treasury) Limited bank account.

SECTION 5 - MORTGAGE ADMINISTRATION SERVICES

Overall Description - Context

The 'Mortgage Administration Services (Dynamic Data Services/Monthly Performance Data)' details the service provided by the Supplier that are concerned with receipt from the Lender of the 'dynamic' elements of the 'Information File', followed by file validation, initial data validation and subsequent processing of the data.

Summary Of The Services Provided

This section of the Schedule describes the 'Mortgage Administration Services (Dynamic Data Services/Monthly Performance Data)

Functional Area	Mortgage Administration Services (Dynamic Data Services)
The Supplier will provide a Mortgage Administration service which includes the 'dynamic' elements of the Information File followed by the file validation, data validation, commercial fee calculation, invoicing, processing of data and associated reporting.	

SECTION 6 - CLAIMS MANAGEMENT SERVICES

Overall Description - Context

The 'Claims Management Services' is the service whereby in accordance with the 'rules' of the Scheme, Lenders submit a 'claim' for payment to recover reasonable costs and losses that they have incurred as a result of a Borrower(s) defaulting on their loan and an estimated or actual cost being incurred.

The service includes the automated process of submitting the initial 'claim' details and supporting evidence and the subsequent assessments and payment to the Lender under the terms of the Scheme rules.

Summary Of The Services Provided

This section of the Schedule describes the 'Claims Management Service'.

Functional Area	Claims Management Services
The Supplier will provide a Claims Management service in accordance with the Scheme Rules. This will include the process from the initial submission of a claim, assessing evidence submitted by a Lender and payment to the Lender under the terms of the Scheme Rules.	

SECTION 7 - LENDER SCHEME AUDIT SERVICES

Overall Description - Context

This section of the schedule describes the 'Lender Scheme Audit Services' that the Supplier shall undertake for each Lender and how the findings of these audits will be presented to the Customer.

It also references that the audits undertaken by the Supplier will report on whether the Lenders have their own internal audit process in place.

Summary Of The Services Provided

This section of the Schedule describes the 'Lender Scheme Audit Services'.

Functional Area	Lender Audit Services
The Supplier will carry out the Lender Scheme audits as set out in the Scheme Rules and present the findings of these audits to Customer. This will include annual audits and spot-check audits.	

SECTION 8 - ANALYSIS & REPORTING SERVICES

Overall Description - Context

This section of the schedule describes the 'Analysis & Reporting Service' that shall be provided by the Supplier to support the Scheme.

The service has two main components, the Modelling & Analytics Service that interrogates 'data' and provides forecast and business intelligence in regards to the past, current and possible future 'status' of the Scheme and the service that supports it, and Business Reporting service that details the nature and frequency in which reports will be issued to relevant stakeholders in regards to the various aspects of the service.

Summary Of The Services Provided

This section of the Schedule describes the 'Analysis & Reporting Service'.

Functional Area	Modelling & Analytics Services
<p>The Supplier will provide an Analysis & Reporting service to the Customer which consists of two main components: 1) modelling and analytics service that interrogates Scheme Data and provides forecasting and analysis on the Scheme performance and 2) a business reporting service that enables relevant stakeholders be kept informed on various aspects of the Scheme.</p>	

Appendix 1 - Escalation Procedure

The principle of escalation in regards to this Service Model are as follows. If an 'event' occurs that is related to a service matter, then normally this would have an SLA associated with it for resolution purposes.

If the SLA is breached or the instigator does not believe that the matter is getting sufficient focus or attention then the matter should be escalated in line with the table below. If the event does not have an SLA associated with it, then the instigator should start move directly to Level 1

Level:-	Escalated After:-	Escalated To:-	E-mail Details	Phone Details
Event Occurs	N/A	N/A	N/A	N/A
Level 1 Escalation	SLA deadline breached	Scheme Operations Manager	andrew.hamilton@ukarcsl.co.uk	07770 493194
Level 2 Escalation	If not resolved within a further 5 Business Days	Head Of UKARcs	rob.thackrey@ukarcsl.co.uk	07793 448070
Level 3 Escalation	If not resolved within further 5 Business Days	UKAR Service Director	mathew.jackson@ukar.co.uk	N/A
Level 4 Escalation	If not resolved within further 5 Business Days	UKAR Chief Executive Officer	richard.banks@ukar.co.uk	N/A

CHARGES

1. INTRODUCTION

This Schedule outlines the Charges which shall be payable by the Customer to the Supplier pursuant to this Agreement and the process for payment. The Charges cover all Services as described in Schedule 1. For the avoidance of doubt, the Customer shall compensate or reimburse the Supplier for any losses suffered, incurred or payable by the Supplier or any member of the Supplier's Group arising out of or in connection with this Agreement (either directly or indirectly) howsoever caused including any Liability and shall pay to the Supplier such sums when they become due.

2. CHARGES

- (a) The Services outlined in Schedule 1 shall be subject to a Charge as follows:
- a) The Supplier shall send an invoice to the Customer by the 5th Business Day in the month preceding the billing quarter for Costs that are forecast to be incurred in that quarter.
 - b) The Customer shall approve or dispute the invoice in accordance with clause 13 within 15 Business Days of receiving the invoice.
 - c) The Customer shall transfer cash payment via BACS to the Supplier in settlement of the invoice on the last Business Day of the month preceding the billing quarter.
 - d) The Supplier shall finalise actual Costs for the billing quarter by the 10th Business Day of the month after the billing quarter. These Costs will be subject to: review and approval by the Supplier's Accounting Officer by the 12th Business Day of that month; and review and validation by the Supplier's Internal Audit by the last Business Day of that month.
 - e) The Supplier will send the Customer a reconciliation statement, comparing actual Costs to forecasted Costs, by the 5th Business Day of the second month after the billing quarter. The difference between actual Costs and forecasted Costs shall be included as an Equalisation Administration

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Payment in the subsequent invoice (issued on the 5th Business Day of the following month).

- (b) All invoices from the Supplier to the Customer shall (where applicable) include a Scheme Administration Mark-up and Equalisation Administration Payment.
- (c) The Charges relating to Services shall be invoiced and payable in accordance with Clause 13.

3. SERVICE REQUEST CHARGES

- (a) Where it is agreed by the Parties that the delivery of specific Service Requests requires resources and/or materials that are over and above those normally supplied as part of the Services, the Supplier reserves the right to charge the Customer additional charges.
- (b) Additional charges relating to Service Requests shall be agreed between the Intelligent Client Function and the Scheme Operations Manager and shall be added to the Charges and charged in accordance with the provisions of Clause 13.

4. CHARGES VARIATIONS

- (a) Charges shall be subject to variation under the following circumstances:
 - 4.a.1 Where Additional Services are required they must be requested by the Customer and agreed by the Supplier through the Change Control Procedure. New charges associated with the Additional Services shall become part of the Charges at a point in time to be agreed through the Change Control Procedure.
- (b) Variations to Charges arising out of paragraph (a) or otherwise shall be agreed in accordance with the Change Control Procedure or as may otherwise be agreed by the Parties (as applicable).

5. CHARGES FOR ADDITIONAL SERVICES

- (a) In consideration of any additional services that the parties agree are to be provided by the Supplier they shall be provided on the charges set out in the Change Note.

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6. **TERMINATION CHARGES**

(a) On termination of this Agreement for whatever reason the Customer shall pay the Termination Charges and the Supplier shall use reasonable endeavours to mitigate any Costs associated with the following Termination Charges:

(b) Termination Payments

6.1.2. Other Costs:

(c) the Supplier's travel and any other third party or external costs incurred by or on behalf of the Supplier performing its obligations pursuant to the Exit Documentation;

(d) the Supplier's internal management costs for time incurred in managing performance of the Supplier's obligations pursuant to the Exit Documentation;

the Supplier's internal resource costs in implementing the Supplier's obligations pursuant to the Exit Documentation; and

6.d.1 any costs incurred by or on behalf of the Supplier in relation to the Supplier or any other person undertaking actions required of the Supplier in the Exit Plan.

(e) Third Party Supplier Costs (Costs associated with third party agreements, and other pass through costs)

(f) Any other Costs approved by the Customer.

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SCHEDULE 3

THIRD PARTY SUPPLIERS

1. **INTRODUCTION**

- (a) This schedule identifies all Third Party Suppliers upon whom the Supplier has a dependency in the provision of the Services to the Customer.

2. **SCOPE**

- (a) The listed 3rd parties include those entities who have a contractual agreement with the Supplier for the provision of:

- (a) Software licences; and
- (b) Services

3. **THIRD PARTY AGREEMENTS**

Supplier	Contract Description
HCL	IT & Telecoms Outsource Provider
Unisys	Mortgage application software
Euristix	Financial modelling
Investis	Website development and hosting
TBA	Scheme Audit
TBA	Claims Management Software

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SCHEDULE 4

Exit Planning, Management and Implementation

1. DEFINITIONS

1.1 In this **Schedule 4** the following words and expressions shall have the following meanings:

“Anticipated Exit Date”	shall have the meaning given to it in paragraph 8.1
“Draft Exit Plan”	shall have the meaning given to it in paragraph 4
“Exit Date”	the date the Services are actually successfully transferred to the Customer or a Replacement Supplier and if such are transferred in separate parts the date the relevant part of such Services is actually successfully transferred
“Exit Documentation”	this Schedule 4 , the Final Exit Plan
“Exit Manager”	shall have the meaning given to it in paragraph 6
“Exit Period”	the period starting on the date of termination and ending on the Exit Date
“Exit Review Team”	together the Exit Managers and any other persons that the parties agree in writing should form part of the Exit Review Team
“Final Exit Plan”	shall have the meaning given to it in paragraph 5.1
“Migrating Services and Information”	shall have the meaning given to it in paragraph 3.1
“Retained Information”	shall have the meaning given to it in paragraph 11.3
“Termination Notice Period”	the period starting on the date of the notice of termination and ending on the Termination Date

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“**Transferred Information**” shall have the meaning given to it in **paragraph 11.2**

“**Transferred Records**” shall have the meaning given to it in **paragraph 11.1**

2. **APPLICATION OF THIS SCHEDULE**

This **Schedule 4** shall apply on the expiry or termination of this Agreement.

3. **GENERAL PRINCIPLES**

3.1 The Supplier shall comply with and implement the terms of the Exit Documentation so as to ensure that the Services, all Customer Data and Scheme 'Intellectual Capital' (together the “Migrating Services and Information”) are successfully transferred and migrated to the Customer or its nominated Replacement Supplier(s) in a professional, timely and orderly manner and with the minimum of disruption to the business of the Customer and so that there is no interruption to the provision of the Services and that the levels to which the Services are performed are not reduced. All provisions of and obligations contained in the Exit Documentation shall be interpreted and construed in the context of this obligation.

3.2 The parties agree that in implementing the provisions of this **Schedule 4** they will at all times act in a fair and reasonable manner. The parties acknowledge that there may be circumstances that arise in relation to termination that were not contemplated by them as at the date of this Agreement and are consequently not provided for either expressly or impliedly. The parties agree that any such matter shall be dealt with in accordance with the Supplier’s obligation set out in **paragraph 3.1**.

4. **DRAFT EXIT PLAN**

4.1 The Supplier shall, within 6 (six) months of the Services Commencement Date, provide to the Customer a draft exit plan (“Draft Exit Plan”) which accords with the Supplier’s obligations under **paragraph 3.1** and complies with the requirements set out in **Appendix 1**. The parties shall within 20 (twenty) Business Days of details of the Draft Exit Plan being given to the

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Customer meet to discuss and seek to agree the content of that Draft Exit Plan. If the parties have not agreed the contents of a Draft Exit Plan within 20 (twenty) Business Days of details of it being given to the Customer, then the Supplier shall be required to amend the Draft Exit Plan to incorporate all of the Customer's reasonable comments and will promptly and diligently produce such number of further iterations of the Draft Exit Plan as are necessary in order for the Draft Exit Plan to meet the Customer's reasonable requirements. The Customer will notify the Supplier in writing once it is satisfied with the Draft Exit Plan and that draft will be deemed to be the agreed version of the Draft Exit Plan.

- 4.2 The Supplier shall not less than once in each rolling period of 12 (twelve) months during the Term revise the Draft Exit Plan. The Supplier shall also revise the Draft Exit Plan if at any time an amendment to it is reasonably required in order to reflect any Change or any other change to this Agreement, the Services or any relevant matters that have occurred since agreement of the last Draft Exit Plan. Each revision to the Draft Exit Plan shall reflect all Changes and other matters that are likely to have a material impact on its subject matter. The Supplier will provide a copy of each revised Draft Exit Plan to the Customer for approval. The approval process set out in **paragraph 4.1** shall apply to all updates of the Draft Exit Plan.
- 4.3 The Supplier shall ensure that it is at all times able to implement the then Draft Exit Plan (or if no Draft Exit Plan has been agreed that it is able to implement the principles set out in this **Schedule 4** and its **Appendix**).

5. **FINAL EXIT PLAN**

- 5.1 The Supplier shall at least 6 (six) months before the effective date of termination provide to the Customer a draft final exit plan ("Final Exit Plan") which shall comprise the most recently agreed Draft Exit Plan updated to reflect the particular circumstances of Termination and any changes to the Services, this Agreement or any other relevant matters that have occurred since agreement of that Draft Exit Plan. The Exit Review Team shall meet within 20 (twenty) Business Days of service of the draft Final Exit Plan to discuss and seek to agree the content of the Final Exit Plan. If the draft Final Exit Plan is not approved within 20 (twenty) Business Days of its service, then the Supplier shall be required to amend the Final Exit Plan to incorporate all

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of the Customer's reasonable comments and will promptly and diligently produce such number of further iterations of the draft Final Exit Plan as are necessary in order for it to meet the Customer's reasonable requirements. The Customer will notify the Supplier in writing once it is satisfied with the draft Final Exit Plan and that draft will be deemed to be the Final Exit Plan.

- 5.2 The Supplier shall revise the Final Exit Plan if at any time an amendment to it is reasonably required in order:

5.2.1 that the Supplier will in complying with it be able to successfully transfer and migrate the Migrating Services and Information to the Customer and/or a Replacement Supplier in accordance with its obligations under **paragraph 3.1**; and

5.2.2 reflect any material changes to information or circumstances that occurs prior to the Exit Date,

and will provide a copy of the revised Final Exit Plan to the Customer for approval. The approval process contained in **paragraph 5.1** will be repeated in respect of any revised Final Exit Plan.

- 5.3 In the period before the Final Exit Plan is approved, the Supplier will cooperate with the Customer in accordance with **paragraph 3.1** and implement those elements of the Draft Exit Plan that the Customer requests in order that the transfer of the Services is not delayed.

6. **EXIT MANAGEMENT**

Each party will, at least 6 (six) months before the effective date of termination, nominate an exit manager ("Exit Manager") who will be responsible for managing that party's compliance with its obligations under the Exit Documentation. Each party shall ensure that its Exit Manager is appropriately skilled and has the requisite authority to manage that party's responsibility in relation to implementation of the Exit Documentation. The appointment of the Supplier's Exit Manager shall be subject to the Company's prior written approval (such approval not to be unreasonably withheld or delayed). The parties shall procure that the Exit Managers appointed by each party shall meet on a regular basis and in any event not less than once each week to

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discuss the implementation of the Exit Documentation and take an open and co operative approach with each other.

7. SUPPLIER PERFORMANCE

7.1 The Supplier shall be responsible for the performance and management of all the activities (with the exception of those identified in the Exit Documentation as Customer or Replacement Supplier tasks and activities) and shall:

7.1.1 perform such tasks and activities in accordance with the terms of this Agreement and Good Industry Practice;

7.1.2 keep such tasks and activities to any timetable agreed by the Customer or otherwise set out in the Exit Documentation and ensure that the Customer is kept informed of any likely slippage;

7.1.3 identify and resolve any problems encountered with any of the Supplier's tasks and activities;

7.1.4 assist the Customer and any Replacement Supplier(s) in the resolution of any problems encountered with those tasks or activities for which they are identified as being responsible in the Exit Documentation; and

7.1.5 undertake any further tasks and activities that relate to, are incidental or ancillary to or are necessary to ensure the successful transfer and migration of all Migrating Services and Information in accordance with the Exit Documentation.

7.2 The Supplier shall at all times make available sufficient numbers of suitably skilled and experienced personnel as are necessary to ensure that the Supplier complies in full with its obligations pursuant to the Exit Documentation.

7.3 Without prejudice to the foregoing, the Supplier will provide such training and assistance to the Customer, any Replacement Supplier (or their respective sub contractors) as may be required in order to ensure a knowledge transfer that is satisfactory to the Customer (and any relevant Replacement Supplier) in respect of the Migrating Services and Information.

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8. ACHIEVING A TIMELY EXIT

- 8.1 Each of the Customer and the Supplier shall co operate fully and effectively with each other and take all reasonable steps to ensure that the Exit Date occurs as soon as reasonably practicable after the Termination Date (the “Anticipated Exit Date”) or such other date as the parties may agree in writing.
- 8.2 The Customer may by notice to the Supplier, to be served not less than 12 (twelve) weeks prior to the then current Anticipated Exit Date, require that the Anticipated Exit Date be extended by such time as set out in the notice (when acting reasonably).

9. SERVICE PROVISION DURING THE TERMINATION NOTICE PERIOD

The Supplier shall continue to provide the Services during the Termination Notice Period in accordance with this Agreement, the Service Levels, the Charges and all other terms of this Agreement shall continue to apply during the Termination Notice Period.

10. TRANSFER OF RECORDS

- 10.1 On the Exit Date, the Supplier shall deliver (or procure the delivery of) the following records to the Customer (or its nominees):

- All data related to the Scheme.
- All processes and procedures developed exclusively to manage Scheme operations.
- All I.T. related System Documentation for 'systems' developed exclusively to manage Scheme operations.
- All processes and procedures developed exclusively to manage I.T. systems that have been developed to support Scheme operations.
- All service details that are current and associated with Service Reporting as described in Schedule 1 and detailed in the Service Catalogue.

Such information being referred to as the “Transferred Records”. The Transferred Records shall be delivered in hard copy and in such other format or medium as the Customer (or its nominees) may reasonably require.

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APPENDIX 1

Contents of Draft and Final Exit Plans

1. Each Draft Exit Plan and Final Exit Plan shall, as a minimum, contain the following information:
 - 1.1 a timetable for transfer of the provision of the Services to the Customer and/or a Replacement Supplier and the satisfactory completion of all matters envisaged in **Schedule 4**;
 - 1.2 a list of all information , documentation or assistance required in connection with the implementation of the provisions of the Exit Documentation and (where possible) identification of who is to provide such information, documentation or assistance and when it is to be provided;
 - 1.3 an analysis of all risks and potential issues affecting the Supplier, the Customer and/or any Replacement Supplier in relation to the implementation of **Schedule 4** and/or termination;
 - 1.4 a projection of the resources likely to be required by or on behalf of the Customer and/or a Replacement Supplier in order to implement the provisions of **Schedule 4**;
 - 1.5 a projection of the resources likely to be required by or on behalf of the Supplier in order to implement the provisions of **Schedule 4**. and where practicable the identity of the key personnel that are likely to be utilised;
 - 1.6 details of all training and other procedures that will be required in order to effect an effective knowledge transfer from the Supplier to the Customer and/or a Replacement Supplier; and
 - 1.7 an estimate of all of the costs, charges, expenses and liabilities to be incurred by the Supplier in implementing its obligations pursuant to **Schedule 4**.

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SIGNED for and on behalf of)
UKARcs LIMITED)

SIGNED for and on behalf of)
HELP TO BUY (HMT) LIMITED)

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