

SHORT FORM SERVICES AGREEMENT

PART 1: ORDER FORM

Part A

1. Contract Reference	TEN-2425-011 (PA2023) LOT 3 Investment Consultancy Services Framework
2. Commencement Date	31/12/2025
3. Customer	National Employment Savings Trust Corporation whose registered office is at 10 South Colonnade, London, E14 4PU, UK ("Nest")
4. Supplier	<p>The Supplier - Towers Watson Ltd (trading as Willis Tower Watson)</p> <p>(company registered number - 053797156</p> <p>whose registered office is at</p> <p>Watson House, London Road, Reigate, Surrey, RH2 9PQ)</p>
5. The Contract	<p>The Supplier shall supply the Services, and Deliverables in accordance with this order form (the "Order Form"), each Call Off Order, the terms and conditions attached at Part 2 ("T&Cs") the associated schedules attached at Part 3 and listed at Part B of this Order Form below ("Schedules") which together comprise the entirety of the contract (the "Contract").</p> <p>Unless stated otherwise, the capitalised expressions used in this Order Form are as defined in the T&Cs, or in the applicable Schedule.</p> <p>In the event of any conflict between this Order Form, Call Off Order, the T&Cs, and/or the Schedules, the order of precedence listed at Part B of this Order Form shall prevail.</p>

6. Services	<p>The Supplier shall provide the following Services and Deliverables to NEST:</p> <p>Specialist consultancy support for the development of the organisational model and development of the investment approach.</p> <p>The Contract will operate as a framework against which services are called off using the template attached at Annex 2 to Schedule 1. Each Call Off Order agreed shall be part of the Contract.</p>
7. Term	The Term of the Contract shall be for Four years commencing on the Commencement Date and expiring on 30/12 /2029
8. Charges	The charges payable by Nest for the Services are detailed in Schedule 4
9. Nest Authorised Representative	
10. Supplier's Manager	
11. Notices	

12. Termination for Material Breach	
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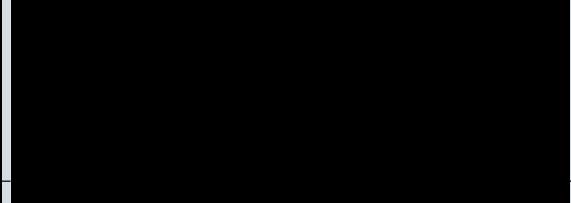
Part B

The following documents are incorporated into this Contract, and the Supplier shall comply with such documents. Where numbers are missing those schedules are not used. If the documents conflict, the following order of precedence applies:

1. This Order Form;
2. The Ts&Cs;
3. Each Call Off Order
4. The following schedules in equal order of precedence:
 - a. Schedule 1 (Services Description)
 - b. [Schedule 4 (Charges)];
 - c. [Schedule 5 (NEST Policies)];
 - d. [Schedule 7 (Data Protection)];
 - e. [Schedule 10 (Key Personnel)];
 - f. [Schedule 11 (Audits and Reports)];
 - g. [Schedule 12 (AI)];
5. [Schedule 13 (Supplier Tender)]
6. [Schedule 14 (Special Conditions)]

Except to the extent set out in Schedule 14, no Supplier terms and conditions form part of the Contract. This includes any terms written on the back of, added to this Order Form, or presented at the time of delivery or otherwise.

Signed for and on behalf of the Supplier	Signed for and on behalf of Nest
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	<p>Name: [Insert name] [Insert job title]</p>
	<p>Signature:</p>

PART 2 - TERMS AND CONDITIONS

1. Interpretation

1.1 Definitions:

Business Day: a day other than a Saturday, Sunday or public holiday in England, when banks in London are open for business.

Business Hours: 9:00am to 5:00pm on a Business Day.

Call Off Order: each order for Services agreed by the parties completing and signing a call off order form, as detailed in Annex 2 to Schedule 1.

Charges: the charges payable by Nest for the supply of the Services and/or Goods by the Supplier, as set out in the Order Form.

Commencement Date: has the meaning given to it in the Order Form.

Contract: has the meaning given to it in the Order Form.

Control: has the meaning given in section 1124 of the Corporation Tax Act 2010 and **controls, controlled** and the expression **change of Control** shall be construed accordingly.

Controller: has the meaning given to it in the UK GDPR.

Data Protection Legislation: all applicable data protection and privacy legislation in force from time to time in the UK including the UK GDPR; the Data Protection Act 2018 (DPA 2018) (and regulations made thereunder) and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended and all other legislation and regulatory requirements in force from time to time which apply to a party relating to the use of Personal Data (including, without limitation, the privacy of electronic communications) and the guidance and codes of practice issued by the Information Commissioner or other relevant regulatory authority and applicable to a party.

Default: any breach of the obligations of the Supplier (including abandonment of this Contract in breach of its terms) or any other default (including Material Default), act, omission, negligence or statement of the Supplier, of its subcontractors or any Supplier staff howsoever arising in connection with or in relation to the subject-matter of this Contract and in respect of which the Supplier is liable to Nest.

Deliverables: all documents, products and materials and other outputs of the Services provided by the Supplier or its agents, subcontractors and personnel as part of, or in relation to, the Services in any form, including the Deliverables set out in the Order Form.

Discretionary Exclusion Ground: any of the circumstances listed in Schedule 7 of the Procurement Act;

EIRs: the Environmental Information Regulations 2004, together with any guidance and/or codes of practice issued by the Information Commissioner or any central Government body in relation to such Regulations;

Excludable Supplier: a Supplier where a Discretionary Exclusion Ground applies to that Supplier or a Key Sub-Contractor;

Excluded Supplier: a Supplier where a Mandatory Exclusion Ground applies to that Supplier or a Key Sub-Contractor;

FOIA: the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time, together with any guidance and/or codes of practice issued by the Information Commissioner or any relevant central Government body in relation to such Act.

Good Industry Practice: using standards, practices, methods and procedures complying in full with all applicable laws and exercising that degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a leading and expert supplier of services similar to the Services to a customer similar to Nest.

Goods: any and all of the goods to be provided by the Supplier pursuant to this Contract, including those set out in the Order Form and any applicable Schedule.

Intellectual Property Rights or IPRs: patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

Key Sub-Contractor means an organisation on which the Supplier relied in order to satisfy any “conditions of participation” (as defined in the Procurement Act) prior to award of this Contract to the Supplier.

Law: any law, statute, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, bye-law, right within the meaning of the European Union (Withdrawal) Act 2018 as amended by European Union (Withdrawal Agreement) Act 2020, regulation, order, regulatory policy, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body with which the Supplier is bound to comply.

Mandatory Exclusion Ground: any of the circumstances listed in Schedule 6 of the Procurement Act;

Material Breach: a breach of the Procurement Act that Nest considers could reasonably result in a successful legal challenge under Part 9 of the Procurement Act.

Material Default: a single serious Default or a number of Defaults or repeated Defaults (whether of the same or different obligations and regardless of whether such Defaults are remedied);

Nest Background IPRs: (i) IPRs owned by Nest before the Commencement Date, including IPRs contained in any of Nest's know-how, documentation, processes and procedures; and (ii) IPRs created by NEST independently of this Contract.

Nest Materials: Nest Background IPRs and Nest's data (including Nest Personal Data) together with any software, equipment, materials, documentation, information, programs and supplied by Nest to the Supplier, the IPRs in which: (i) are owned or used by or on behalf of Nest; and (ii) are or may be used in connection with the provision or receipt of the Services.

Nest Personal Data: any Personal Data which the Supplier processes in connection with the Services, in the capacity of a processor on behalf of NEST.

New IPR : all Intellectual Property Rights in any materials created or developed solely and exclusively for the Contracting Authority by or on behalf of the Supplier pursuant to the Contract but shall not include the Supplier IPR”

Payment Compliance Notice: a notice that Nest is required to publish to comply with Section 69(1) of the Procurement Act.

Personal Data: has the meaning given to it in the UK GDPR.

Procurement Act: the Procurement Act 2023, as amended from time to time, and any regulations made under it.

Request For Information means a request for information or an apparent request under FOIA or the Environmental Information Regulations;

Schedules: has the meaning given to it in the Order Form, and “**Schedule**” shall be interpreted accordingly.

Services: any and all of the services to be provided by the Supplier pursuant to this Contract, including those set out in the Order Form and any applicable Schedule(s) and the provision of the Deliverables.

Section 71 Notice: a notice that Nest is required to publish to comply with Section 71(2) and Section 71(5) of the Procurement Act.

Supplier IPRs: (i) Intellectual Property Rights owned by the Supplier before the Commencement Date, for example those subsisting in the Supplier's standard development tools, program components or standard code used in computer programming or in physical or electronic media containing the Supplier's know-how or generic business methodologies; and/or (ii) Intellectual Property Rights created by the

Supplier independently of this Contract, which in each case is or will be used before or during the Term for providing the Services.

Term: has the meaning given to it in the Order Form.

T&Cs: has the meaning given to it in the Order Form.

UK GDPR: the retained EU law version of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act of 2018.

VAT: value added tax as provided for in the Value Added Tax Act 1994, or any other analogous or replacement tax.

1.2 Interpretation:

- (a) the Schedules form part of these T&Cs and shall have effect as if set out in full in the body of these T&Cs. Any reference to these T&Cs includes the Schedules;
- (b) the singular includes the plural and vice versa;
- (c) a reference to any law includes a reference to that law as amended, extended, consolidated or re-enacted from time to time and to any legislation or byelaw made under that law;
- (d) a reference to writing or written includes email but not fax.
- (e) any obligation on a party not to do something includes an obligation not to allow that thing to be done.
- (f) references to clauses and Schedules are to the clauses and Schedules of these T&Cs and references to paragraphs are to paragraphs of the relevant Schedule; and
- (g) the word 'including', "for example" and similar words shall be understood as if they were immediately followed by the words "without limitation".
- (h) In the case of the Supplier providing various individuals or the Individual to perform consultancy services, references to the Supplier in these T&Cs shall include references to such individuals or the Individual (as applicable).

2. Commencement and term

- 2.1 The Supplier shall provide the Services in accordance with this Contract, from the Commencement Date until the end of the Term and in accordance with each Call Off Order, unless terminated earlier in accordance with clause 10 or the relevant Schedule (as applicable).

3. Supply of services

- 3.1 In performing the Services and/or delivering any Goods, the Supplier shall meet, and time is of the essence in relation to, any dates or milestones for performance as specified in the Order Form, Call Off Order or relevant Schedule.
- 3.2 The Supplier shall:
 - (a) ensure that the Services and Deliverables will conform in all respects with this Contract, and that the Deliverables shall be fit for any purpose made known to the Supplier by Nest;
 - (b) perform the Services with all due care, skill and ability and in accordance with Law and Good Industry Practice;
 - (c) co-operate with Nest in all matters relating to the Services and comply with Nest's reasonable instructions at all times, including in relation to any rules, regulations, policies or security requirements required by Nest as further detailed in any applicable Schedule(s);
 - (d) obtain and maintain during the Term, all necessary licences and consents and comply with all relevant Law in relation to the Services and Goods (as applicable);
 - (e) hold all Nest Materials in safe and secure custody at its own risk (with security measures at least as comprehensive as those applied to the Supplier's own materials of a similar or equivalent nature, or such security measures as detailed in any applicable Schedule, whichever is more onerous);
 - (f) not knowingly or negligently do or omit to do anything, which may cause Nest to lose any licence, authority, consent or permission on which it relies for the purposes of conducting its public role or functions;
 - (g) notify Nest in writing immediately upon the occurrence of a change of Control of the Supplier;
 - (h) appoint or, at the request of Nest replace, without delay a manager, who shall have authority to contractually bind the Supplier on all matters relating to the Services and/or Goods (as applicable). The initial manager shall be the Supplier's Manager as set out in the Order Form;
 - (i) only use personnel who are suitably skilled and experienced to perform the tasks assigned to them, and in sufficient and appropriate number to ensure that the Supplier's obligations are fulfilled;
 - (j) warrants either:

- (i) none of the Mandatory Exclusion Grounds apply to the Supplier or any Key Sub-contractor; or
- (ii) in the event that one or more Mandatory Exclusion Grounds applies to a Key Sub-Contractor, the Supplier has notified Nest as soon as reasonably practicable and has complied with clause 12.4(b); and

(k) warrants either:

- (i) none of the Discretionary Exclusion Grounds apply to the Supplier or a Key Sub-Contractor; or
- (ii) in the event that one or more of the Discretionary Exclusion Grounds applies to the Supplier or a Key Sub-Contractor, the Supplier has notified Nest as soon as reasonably practicable; and
- (iii) Nest has not exercised its right to treat the Supplier as an Excludable Supplier or (where the Discretionary Exclusion Ground relates to a Key Sub-Contractor) the Supplier has exercised its right to replace that Key Sub-Contractor in accordance with clause 12.4(b).

Nest's obligations

3.3 Nest shall provide such necessary information for the provision of the Services and/or Goods (as applicable) as the Supplier may reasonably request, to the extent such information is available to Nest and authorised for release.

4. Title to Deliverables and Nest Materials

4.1 Title to any Goods (if applicable) or Deliverables that are Goods, or in any physical media on which Deliverables are stored, and/or title to any Goods or materials transferred to Nest as part of the Services shall pass to Nest (free from all liens, charges and encumbrances) on the earlier of their delivery to Nest or payment of the Charges for them.

5. Data Protection

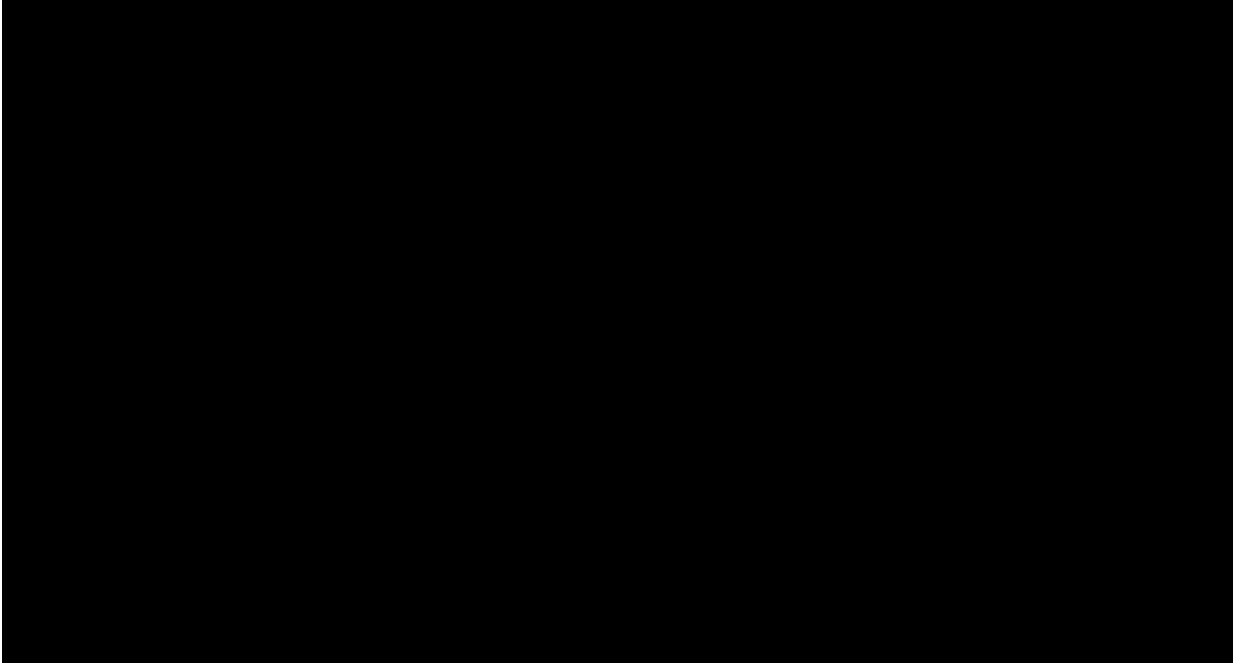
5.1 Due to the nature of the Services the Supplier will be providing, the parties will agree their respective roles under the Data Protection Legislation and incorporate such necessary data processing terms or joint allocation of roles and responsibilities separately within each applicable Call-Off Order to ensure compliance with the Data Protection Legislation.

5.2 Where either party processes Personal Data of the other party comprising of business contact details for the purposes of the management and administration of the Contract, or otherwise processes Personal Data in connection with the Contract as a Controller, such party shall comply with its respective obligations under the Data Protection Legislation.

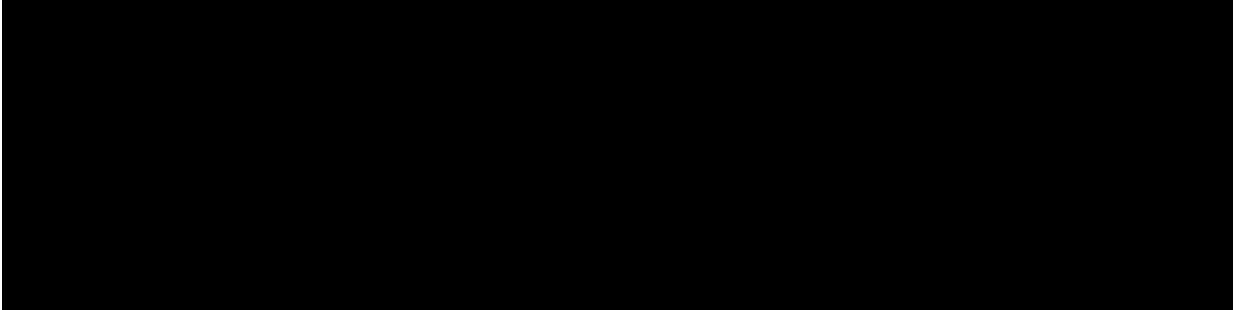
6. Intellectual property

- 6.1 The Supplier and its licensors shall retain ownership of all Supplier IPRs. Nest and its licensors shall retain ownership of all IPRs in Nest Materials.
- 6.2 The Supplier grants Nest, or shall procure the direct grant to Nest of, a worldwide, non-exclusive, royalty-free, licence to use, copy, modify and sub-licence the Supplier IPRs for the purpose of receiving and using the Services and/or Goods (as applicable) during the Term and for the duration of any exit assistance services provided under Schedule 8 (Exit) (if applicable).
- 6.3 Nest grants the Supplier a non-exclusive, royalty-free, non-transferable licence to use Nest Materials for the Term for the sole purpose of, and to the extent necessary for, providing the Services to Nest in accordance with the Contract.

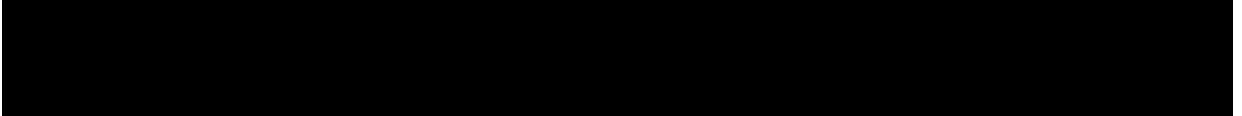
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6.5

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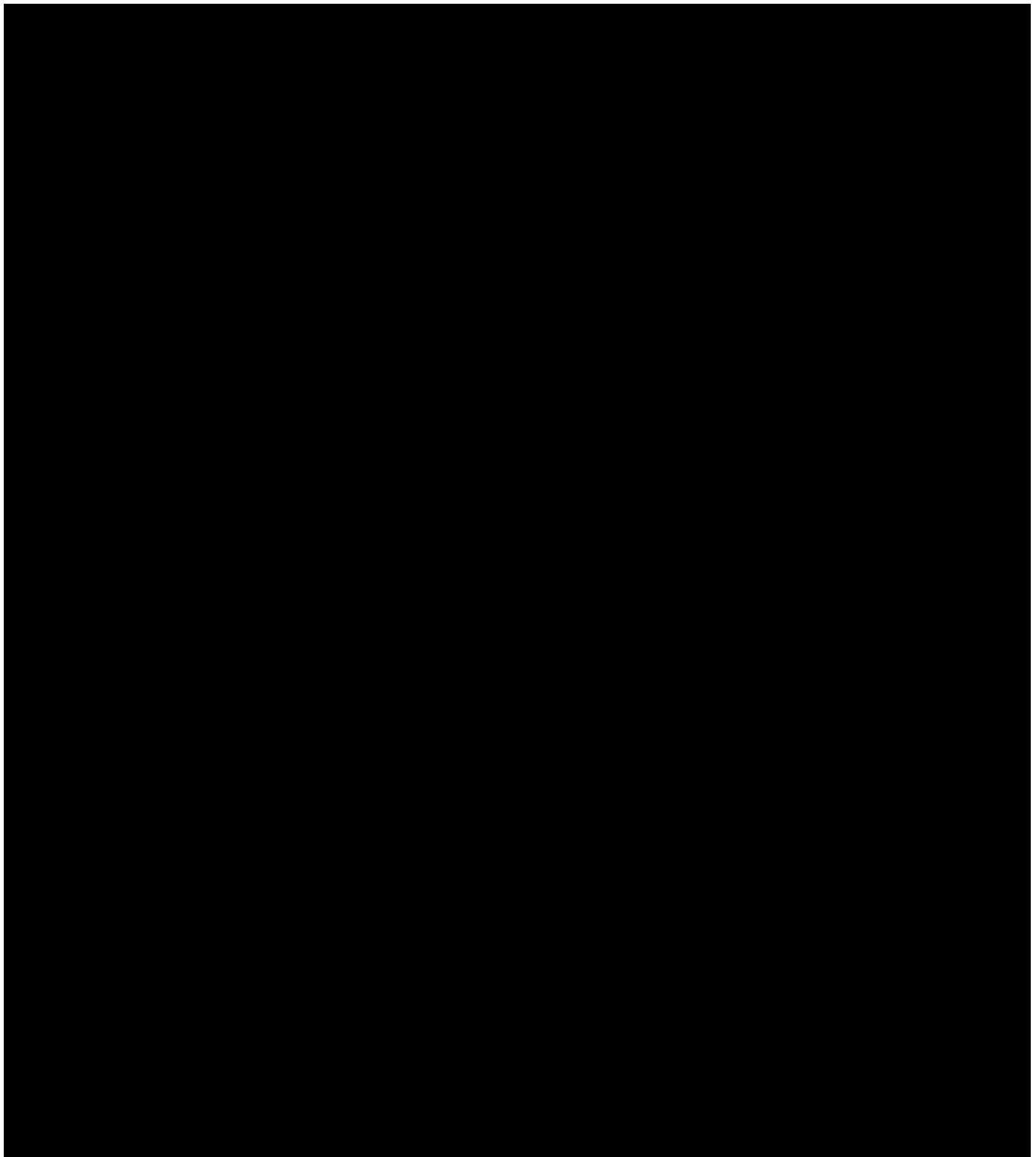
6.6

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7. Charges and payment

- 7.1 In consideration of the provision of the Services and/or Goods by the Supplier, Nest shall pay the Charges as set out in the Order Form and/or applicable Schedule and/or Call Off Order, and in accordance with any payment schedule set out in the Order Form or Schedule (as applicable), following receipt of a valid invoice which includes the correct purchase order number. The Charges agreed and set out in the Order Form shall be deemed to be a fixed price for the Services, save as set out in the Order Form and/or in Schedule 4 (Charges), unless the parties agree otherwise in writing.

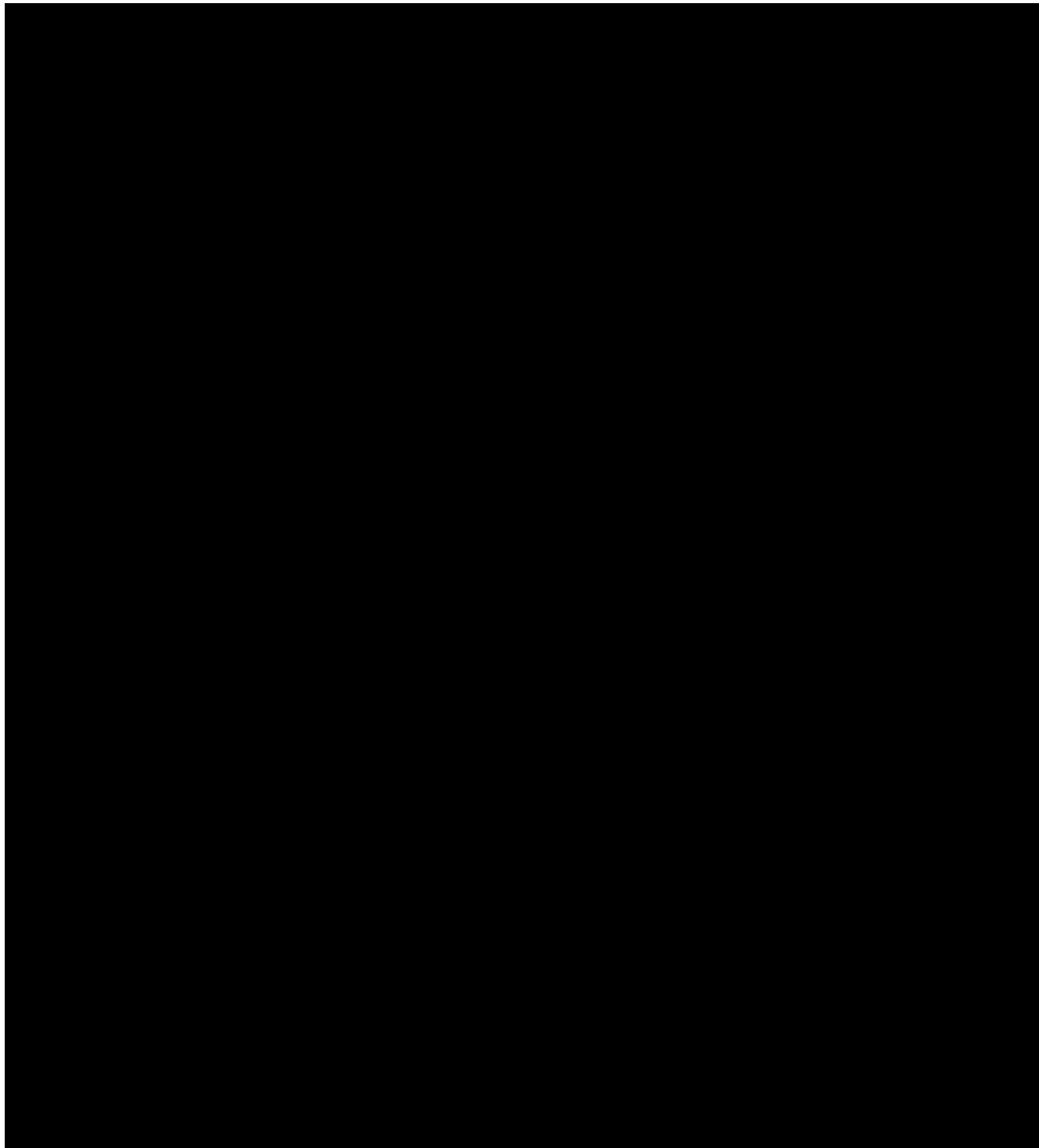
- 7.2 Nest shall pay each valid, undisputed and duly payable invoice submitted to it by the Supplier within 30 days of receipt to a bank account nominated in writing by the Supplier.
- 7.3 Nest may retain or set-off payment of any amount owed to it by the Supplier upon written notice.



9. Insurance

9.1 During the Term, the Supplier shall maintain in force, with a reputable insurance company, all insurances as may be required by Law in relation to (i) its obligations and liabilities as set out in this Contract and (ii) the provision of the Services.

10. Termination





11. Exit arrangements

11.1 Following termination or expiry of this Contract, the Supplier shall ensure that:

- (a) it ceases to use any Nest Materials, and that any Deliverables and Nest Materials are promptly delivered or returned to Nest;
- (b) (at the discretion of Nest) it shall promptly and securely delete or destroy any Nest Materials (including back-ups) (unless storage of any data is required by Law, in which case the Supplier shall inform Nest of any such requirement and may only retain any Nest Materials strictly to the extent of such requirement);

- (c) it provides all assistance reasonably required by Nest to facilitate the smooth transition of the Services under the Contract to Nest or any replacement supplier appointed by it, including by complying with the provisions of any applicable Schedule relating to exit arrangements; and
- (d) it complies with Schedule 8 (Exit), where applicable.

12. Freedom of Information and Environmental Information Regulations

- 12.1 The Supplier acknowledges that Nest is subject to the requirements of the FOIA and the EIRs. The Supplier shall:
 - (a) provide all necessary assistance and cooperation as reasonably requested by Nest to enable Nest to comply with its obligations under the FOIA and EIRs;
 - (b) transfer to Nest all Requests for Information relating to the Contract that it receives as soon as practicable and in any event within 2 Business Days of receipt;
 - (c) provide Nest with a copy of all information held on behalf of Nest which is requested in a Request For Information and which is in its possession or control in the form that Nest requires within 5 Business Days (or such other period as Nest may reasonably specify) of AT's request for such information; and
 - (d) not respond directly to a Request For Information addressed to Nest unless authorised in writing to do so by Nest.
- 12.2 The Supplier acknowledges that Nest may be required under the FOIA and EIRs to disclose information (including commercially sensitive information) without consulting or obtaining consent from the Supplier. Nest shall take reasonable steps to notify the Supplier of a Request For Information (in accordance with the Secretary of State's section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in the Contract) Nest shall be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the FOIA and EIRs.

General

- 12.3 **Force majeure.** Neither party shall be in breach of the Contract nor liable for delay in performing, or failure to perform, any of its obligations under the Contract if such delay or failure result from events, circumstances or causes beyond its reasonable control (which for the Supplier shall not include strikes or other industrial action by Supplier personnel or any personnel of other suppliers of the Supplier nor any risk insured by the Supplier as required under the T&Cs). If the period of delay or non-performance

continues for 90 or more days continuously and the provision of the Services is materially and adversely affected, either may partially or fully terminate the Contract.

12.4 Subcontracting, assignment and novation.

- (a) The Supplier may not assign, novate, subcontract or otherwise deal with any or all of its rights or obligations under the Contract without the prior written consent of Nest, to be at the sole discretion of Nest; and
- (b) If Nest consents to any subcontracting by the Supplier:
 - (i) the Supplier shall remain responsible for all acts and omissions of its subcontractors as if they were its own, and:
 - (ii) The Supplier shall notify Nest in writing within 3 Business Days of any changes that have occurred in relation to Key Sub-Contractor including whether the Key Sub-Contractor has been placed on the debarment list under Section 62 of the Procurement Act or whether a new excludable ground has arisen in respect of the Key Sub-Contractor in accordance with the Procurement Act, together with reasonable supporting information. Failure by the Supplier to notify Nest accordingly and/or providing Nest with information that is incomplete, inaccurate or misleading in relation to any Key Sub-Contractor shall entitle Nest to terminate the Contract and such termination shall be deemed to be termination due to Default on the part of the Supplier. The Supplier shall indemnify Nest against any losses sustained as a result of such Default.

12.5 Confidentiality

- (a) Each party undertakes that it shall not at any time during this Contract and for a period of at least 5 years after termination or expiry of this Contract, disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party or of any member of the group of companies to which the other party belongs, except as permitted by clause (b).
- (b) Each party may disclose the other party's confidential information:
 - (i) to its employees, officers, representatives, contractors, subcontractors or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under or in connection with this Contract. Each party shall ensure that its employees, officers, representatives, contractors, subcontractors or advisers to whom it discloses the other party's confidential information comply with this clause 12.5 12.5; and

- (ii) as may be required by Law, a court of competent jurisdiction or any governmental or regulatory authority.
- (c) No party shall use any other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with this Contract.

12.6 Entire agreement. These T&Cs, Schedules, Call Off Order(s) and the Order Form constitute the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter. Nothing in this clause 12.6 shall exclude any liability in respect of misrepresentations made fraudulently.

12.7 Variation. No variation of the Contract shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

12.8 Waiver. A waiver of any right or remedy under this Contract is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy. A failure or delay by a party to exercise any right or remedy provided under this Contract shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under this Contract shall prevent or restrict the further exercise of that or any other right or remedy.

12.9 No Partnership or Agency. Nothing in this Contract is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party. Each party confirms it is acting on its own behalf and not for the benefit of any other person.

12.10 Severance. If any provision or part-provision of this Contract is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this Contract.

12.11 Notices

- (a) Notices under this Contract shall be in writing and sent to a party's representative whose contact details are as provided within the Order Form and may be amended by written notice to the other party from time to time.
- (b) Notices may be given, and shall be deemed received:
 - (i) by first-class post: 2 Business Days after posting;
 - (ii) by email: at the time of transmission, or, if this time falls outside Business Hours, when Business Hours resume;

- (iii) by hand: on delivery.
- (c) This clause does not apply to notices given in legal proceedings or arbitration.

12.12 Third party rights

- (a) Unless it expressly states otherwise, this Contract does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Contract.
- (b) The rights of the parties to rescind or vary this Contract are not subject to the consent of any other person who is not a party.

12.13 Governing law and Jurisdiction. This Contract, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Contract or its subject matter or formation.

PART 3 - SCHEDULES

SCHEDULE 1

SERVICES DESCRIPTION

1 INTRODUCTION

1.1 This Schedule sets out the background and intended scope of the Services to be provided by the Supplier and to provide a description of what each Service entails.

2 SERVICES

2.1 The Supplier shall provide the following Services in accordance with NEST's requirements as set out at Annex 1 to this Schedule 1 (the "**NEST Requirements**" and the individual agreed Call off Contracts

ANNEX 1

NEST REQUIREMENTS

Nest is on a path to becoming one of the largest pensions schemes in the UK and our growth trajectory means that the operating model for Nest Invest will need to evolve over the next ten years.

In order to support the continued strategic growth and development of the investment function Nest Invest will require ongoing specialist consultancy support for the development of the organisational model and development of the investment approach

3.9 The Procurement is divided into 3 Lots:

3.9.1 Lot 1 – Strategic investment business, organisational strategy and governance advice with extensive proven experience of international investment best practice with large Financial Conduct Authority (FCA) regulated Occupational Pension Schemes (OPS) with assets under management of £25 billion and above.

3.9.2 Lot 2 – Target Operating Model design and delivery including the transition and implementation of operating models for fund administration and custody service including additional SME operational support as needed for large Financial Conduct Authority (FCA) regulated Occupational Pension Schemes (OPS) with assets under management of £25 billion and above.

3.9.3 Lot 3 – Generic investment and asset class research, design or implementation advice

Ability to provide an assessment of risks, return, opportunities and outlooks on particular investment strategies, across the full universe of asset classes. We are particularly interested in expertise in the evaluation of private market and alternative asset classes

3.10 Ability to provide a detailed overview of the range of investment managers and products within a particular investment strategy

3.11 Ability to support the conduct due diligence on and provide an assessment of the capabilities of an individual investment manager

3.12 Generic advice on investment strategy, investment beliefs, SIP creation

3.13 Generic investment advice in line with sections 34 and 36 of the Pensions Act

ANNEX 2

CALL OFF ORDER TEMPLATE

SECTION A

This Call Off Order form is issued in accordance with the provisions of the Contract for the provision of **Services** dated [xxx].

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

Order Number	TEN -2526-011 (PA2023) LOT NO X Call off number xxx The above is NOT a PO number and is a contract reference number only. All invoices must have a valid PO number – request this from the Nest contract manager.
From	National Employment Savings Trust Corporation of 10 South Colonnade, London, E14 4PU, United Kingdom ("Nest")
To	[name and address] ("SUPPLIER")

SECTION B

1. Call Off Order period

Commencement Date:	
Expiry Date:	

2. Services

Services required:	The Supplier will provide [detail specific services for particular call off] Full specification of Services detailed in Schedule 1 (Services)
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PAYMENT

Call Off Contract Charges (including any applicable discount(s), but excluding VAT):	[xxx] [or reference Charges Schedule]
Payment terms/profile (including method of payment e.g. Government Procurement Card (GPC) or BACS):	[reference Charges Schedule]
Reimbursable Expenses:	Not permitted

OTHER CALL OFF REQUIREMENTS

[if any]

Formation of Call Off Order

BY SIGNING AND RETURNING THIS CALL OFF ORDER (which may be done by electronic means) the Supplier agrees to provide the above Services in accordance with the terms of the Contact.

The Parties agree that this Call Off Order shall be formed when Nest acknowledges (which may be done by electronic means) the receipt of the signed copy of the Call Off Order form from the Supplier.

For and on behalf of the Supplier:

Name and Title	[REDACTED]
Signature	
Date	

For and on behalf of Nest:

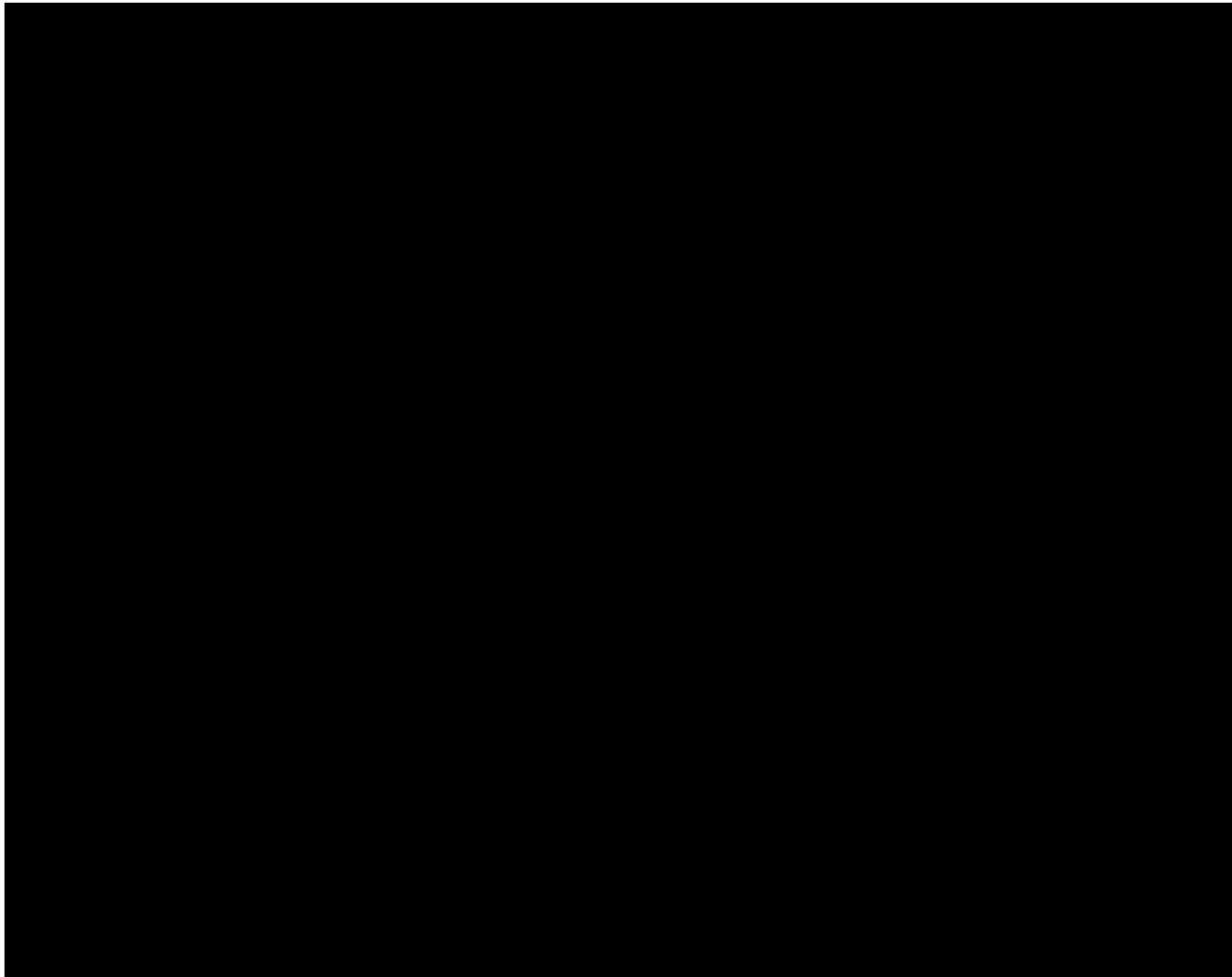
Name and Title	
Signature	
Date	

SCHEDULE 3

Not used for this contract

SCHEDULE 4

CHARGES



Note:

1. Invoices will not be issued until after [detail timing].
2. Any work not specified in this Agreement must be agreed in writing in advance between the parties in accordance with this Agreement and the fees for such work shall be calculated and agreed based on the indicative pricing set out above or as reasonably agreed between the parties.
3. Any work carried out on a time and materials basis will be invoiced monthly in arrears.
4. Nest will pay the Supplier in accordance with clause 7 of the Contract, the payment method for this Agreement will be via BACS.
5. All invoices must:
 - be on headed paper (including supplier name and contact details)

- include Supplier's bank details
- quote the relevant purchase order (PO) number
- quote a unique invoice number
- state the agreed charge including VAT where relevant
- outline details and date of goods/services delivered/received

6. Invoices must be issued electronically and sent to accountspayable@nestcorporation.org.uk

SCHEDULE 5

NEST POLICIES

INTRODUCTION

This Schedule details the NEST standards, policies and guidelines (the “**NEST Policies**”) that the Supplier shall comply with in connection with its performance of the Services and (where applicable) delivery of the Goods.

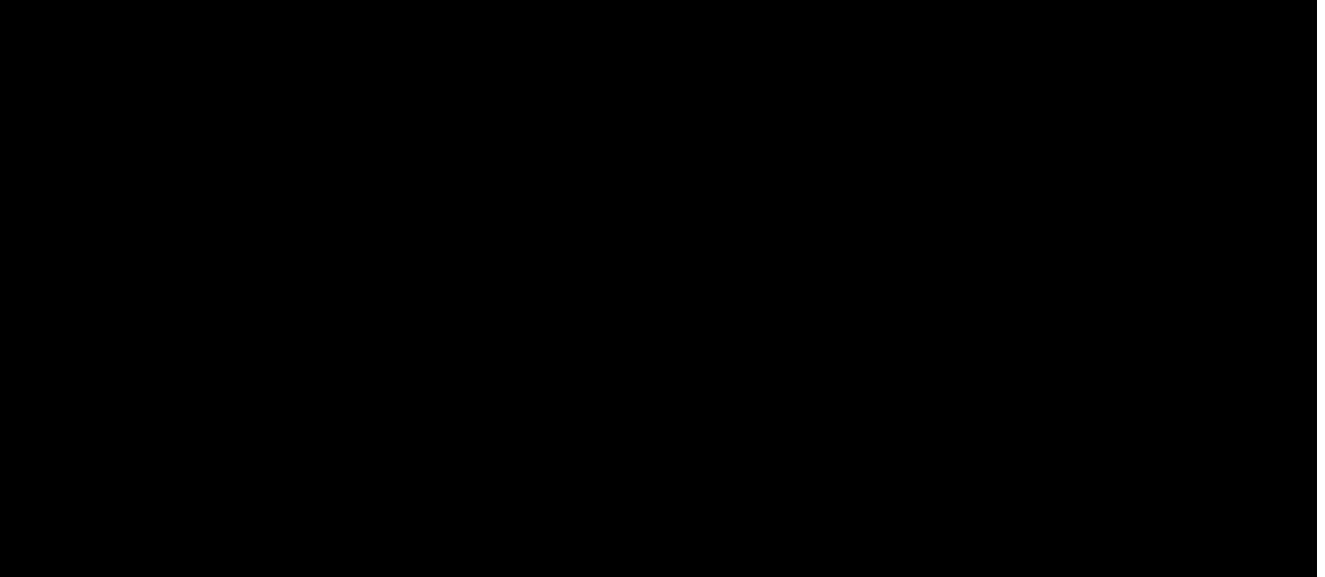
NEST POLICIES

The Supplier shall comply with the following NEST Policies, as updated, amended and replaced from time to time, in connection with its performance of the Services and (where applicable) delivery of the Goods.

1 ANTI-BRIBERY

1.1 The Supplier shall:

- 1.1.1 comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including the Bribery Act 2010 (“**Relevant Requirements**”);
- 1.1.2 not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
- 1.1.3 comply with Nest’s anti-bribery policy as Nest may update from time to time (“**Relevant Policies**”);
- 1.1.4 have and shall maintain in place throughout the term of the Contract its own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements, the Relevant Policies and will enforce them where appropriate;



1.2 The Supplier shall ensure that any person associated with it who is performing services in connection with this Contract does so only on the basis of a written contract which imposes on

and secures from such person terms equivalent to those imposed on the Supplier in this policy (“**Relevant Terms**”). The Supplier shall be responsible for the observance and performance by such persons of the Relevant Terms and shall be directly liable to Nest for any breach by such persons of any of the Relevant Terms.

- 1.3 Any breach of this policy by the Supplier shall entitle Nest to terminate this Contract with immediate effect on written notice as a material breach incapable of remedy pursuant to clause 10.1.
- 1.4 For the purpose of this policy, the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. For the purposes of this policy a person associated with the Supplier includes any sub-contractor of the Supplier.

2 MODERN SLAVERY

- 2.1 The Supplier agrees with Nest that it shall, and that it shall procure that the Supplier personnel and any other person who performs services and/or supplies goods within the Supplier's supply chain in relation to this Contract shall:
 - 2.1.1 comply with all applicable laws, statutes, and regulations relating to slavery and human trafficking (“**Anti-Slavery Requirements**”) including the Modern Slavery Act 2015;
 - 2.1.2 not take or knowingly permit any action to be taken that would or might cause or lead Nest to be in violation of any Anti-Slavery Requirements; and
 - 2.1.3 at Nest's request and cost, provide Nest with any reasonable assistance to enable it to perform any activity required by any regulatory body for the purpose of complying with Anti-Slavery Requirements.
- 2.2 The Supplier represents, warrants and undertakes to Nest that neither it nor any other person in its supply chain uses trafficked, bonded, child or forced labour or has attempted to use trafficked, bonded, child or forced labour within its supply chain.
- 2.3 The Supplier agrees that in addition to Nest's termination rights set out elsewhere in this Contract, Nest may (without prejudice to any other right available to it) immediately terminate this Contract in the event of any breach of this policy by the Supplier in which case the Supplier shall not be entitled to any compensation or to any further payments or remuneration.
- 2.4 Nest shall not be required to make any payment to the Supplier that might otherwise be due from Nest in respect of this Contract if the Supplier has breached this clause.
- 2.5 The Supplier shall subject to clause 8.3, on demand, indemnify and hold harmless Nest from and against any and all losses, liabilities, fines, damages, claims, proceedings, costs and expenses (including legal fees) suffered or incurred by Nest or for which Nest may become liable as a result of suffering, defending or settling a claim alleging such losses, and/or arising out of or in connection with any breach of this clause, whether or not this Contract has been terminated.

SCHEDULE 7

DATA PROTECTION

This Schedule 7 may apply only where the Supplier is processing Personal data under an agreed Call off Contract and will be subject to agreement between the parties

5 INTRODUCTION

- 5.1 This Schedule applies where the Supplier is processing Personal Data pursuant to this Contract
- 5.2 Definitions applicable to this Schedule:

Controller, Processor, Information Commissioner, Data Subject, Personal Data, Personal Data Breach, processing and appropriate technical and organisational measures: **as defined in the Data Protection Legislation.**

Data Protection Legislation: **all applicable data protection and privacy legislation in force from time to time in the UK including the UK GDPR; the Data Protection Act 2018 (DPA 2018) (and regulations made thereunder) and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended [and all other legislation and regulatory requirements in force from time to time which apply to a party relating to the use of Personal Data (including, without limitation, the privacy of electronic communications) and the guidance and codes of practice issued by the Information Commissioner or other relevant regulatory authority and applicable to a party.**

UK GDPR: means the retained EU law version of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act of 2018.

6 DATA PROTECTION

- 6.1 Both parties will comply with all applicable requirements of the Data Protection Legislation. This Paragraph 6 is in addition to, and does not relieve, remove or replace, a party's obligations or rights under the Data Protection Legislation.
- 6.2 The parties acknowledge that for the purposes of the Data Protection Legislation, the nature of the activity carried out by each of them in relation to their respective obligations under this Contract will determine the status of each party under the Data Protection Legislation. Notwithstanding the foregoing, the parties have determined that, for the purposes of the Data Protection Legislation:
 - 6.2.1 Nest is the Controller of the Personal Data described at Annex 1; and
 - 6.2.2 the Supplier shall process the Personal Data set out in **Error! Reference source not found.**, as a Processor on behalf of Nest.
- 6.3 The Supplier shall promptly comply with any reasonable instructions received from Nest to display or otherwise make available Nest's then-current version of its privacy policy via the goods or services provided by the Supplier. Such instructions may include implementing a reasonable process to certify that the Data Subject has acknowledged its terms.

6.4 Annex 1 sets out the scope, nature and purpose of Processing by the Supplier, the duration of the processing and the types of Personal Data Processed by the Supplier in connection with this Contract, and categories of Data Subject. The only Processing that the Supplier is authorised to do is listed in Annex 1 by Nest and may not be determined by the Supplier.

6.5 Without prejudice to the generality of clause 6.1 the Supplier shall:

6.5.1 process the Personal Data only on the documented instructions of Nest, unless the Supplier is required by Laws to otherwise Process the Personal Data. Where the Supplier is relying on Laws as the basis for Processing the Personal Data, the Supplier shall promptly notify Nest of this before performing the Processing required by the Laws unless those Lawss prohibit the Supplier from so notifying Nest on important grounds of public interest;

6.5.2 immediately inform Nest if, in the opinion of the Supplier, the instructions of Nest infringe Data Protection Legislation;

6.5.3 implement appropriate technical and organisational measures to protect against unauthorised or unlawful processing of the Personal Data and against its accidental loss, damage or destruction, including *inter alia* as appropriate:

- (a) the pseudonymisation and encryption of the Personal Data;
- (b) the ability to ensure the ongoing confidentiality, integrity, availability and resilience of processing systems and services;
- (c) the ability to restore the availability and access to the Personal Data in a timely manner in the event of a physical or technical incident; and
- (d) a process for regularly testing, assessing and evaluating the effectiveness of technical and organisational measures for ensuring the security of the processing,

and in any event such measures which are at least sufficient to comply with Nestthe Controller's obligations under the Data Protection Legislation. In assessing the appropriate level of security the Supplier shall take into account in particular of the risks that are presented by the Processing, in particular from accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to the Personal Data transmitted, stored or otherwise processed;

6.5.4 ensure, and procure, that any personnel engaged and authorised by the Supplier to process Personal Data keep the Personal Data confidential;

6.5.5 promptly assist Nest in responding to any request from a Data Subject and in ensuring compliance with Nest's obligations under the Data Protection Legislation with respect to security, breach notifications, data protection impact assessments ("DPIAs") and consultations with the Information Commissioner, supervisory authorities or other regulators including by:

- (a) promptly (and in any event within 48 hours) notify Nest if it receives any complaint, notice or communication (whether from the Information Commissioner, any data subject, supervisory authority or other third party) which relates to processing of the Personal Data;
- (b) promptly providing the Customer with:

- (i) full details and copies of the complaint, communication or request;
- (ii) such assistance as is reasonably requested by Nest to enable it to comply with a request from a Data Subject within the relevant timescales set out in the Data Protection Legislation;
- (iii) at Nest's request, any Personal Data it holds in relation to a Data Subject; and
- (iv) such assistance as requested by Nest with respect to any request from the Information Commissioner or any other regulatory authority, or any consultation by Nest with the Information Commissioner or any other regulatory authority;

6.5.6 notify Nest [immediately, and in any event within 3624 hours] [without undue delay] after becoming aware of an actual or suspected Personal Data Breach and:

- (a) on suspecting the same, the Supplier shall promptly conduct an initial assessment to determine, with a reasonable degree of certainty, whether the event or incident qualifies for notification to Nest under this Paragraph 6.5.6 and shall provide a copy of this initial assessment along with such notification; and
- (b) provide such assistance as requested by Nest following any such Personal Data Breach.

6.5.7 at the written direction of Nest, securely delete or return to Nest all the Personal Data on termination or expiry of this Contract, and certify to Nest in writing it has done so, unless the Supplier is required by Law to continue to Process that Personal Data, in which case the Supplier shall promptly notify Nest, in writing, of what that Law is and shall only be permitted to Process that Personal Data for the specific purpose so notified, and all other requirements set out in this Paragraph 6 shall continue to apply to such Personal Data notwithstanding the termination or expiry of this Contract for as long as such Personal Data is processed by the Supplier. For the purposes of this Paragraph 6.5.7 the obligation to "delete" data includes the obligation to delete data from back-up systems as well as live systems; and

6.5.8 maintain adequate records, and, on Nest's request, make available such information as Nest may reasonably request, and allow for and submit its premises and operations to audits, including inspections, by Nest or Nest's designated auditor, to demonstrate its compliance with the Data Protection Legislation and this Paragraph 6.

6.6 The Supplier shall not transfer any Personal Data outside of the UK unless the prior written consent of Nest has been obtained [and the following conditions are fulfilled:

6.6.1 either:

- (a) the destination country has been recognised as adequate by the UK government in accordance with Article 45 of the UK GDPR (or Section 74A of the Data Protection Act 2018); or
- (b) the Supplier has provided appropriate safeguards in relation to the transfer, and has provided NEST with sufficient evidence of such safeguards; and

6.6.2 the data subject has enforceable rights and effective legal remedies;

- 6.6.3 the Supplier fully complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred; and
- 6.6.4 the Supplier complies with reasonable instructions notified to it in advance by Nest with respect to the processing of the Personal Data];
- 6.7 The Supplier shall not appoint any third party processor of Personal Data under this Contract without Nest's prior written consent and provided that Nest does not consent to the Supplier appointing any third party processor of Personal Data under this Contract. [Notwithstanding the foregoing, Nest consents to the Supplier appointing [THIRD-PARTY PROCESSOR] as a third-party processor of Personal Data under this Contract by providing written notice to Nest of the appointments and subject to Nest's approval by written consent. After which the Supplier must confirm that it has entered into a written agreement with the third-party processor incorporating terms which are substantially similar to, and in any event no less onerous than, those set out in this Schedule 7. The Supplier shall remain fully liable for all acts or omissions of any third-party processor appointed by it pursuant to this Paragraph 6.7.
- 6.8 NEST may, at any time on not less than 30 days' notice, revise this Schedule 7 by replacing it (in whole or part) with any applicable standard clauses approved by the Commissioner or forming part of an applicable certification scheme or code of conduct ("Amended Terms"). Such Amended Terms shall apply when replaced by attachment to this Contract, but only in respect of such matters which are within the scope of the Amended Terms.
- 6.9 The Supplier hereby indemnifies, and shall keep indemnified, Nest from and against any and all costs, damages and expenses of any kind arising from any claim or demand brought by any person, data subject, Information Commissioner or supervisory authority as a result of any breach or alleged breach by Supplier of the Data Protection Legislation or its obligations under this Schedule 7 [This indemnity shall not be subject to any limits or exclusions of liability that may otherwise apply, or be imposed, under this Contract].
- 6.10 Notwithstanding any other terms of this Contract, the Supplier's total aggregate liability in contract, tort (including negligence and breach of statutory duty howsoever arising), misrepresentation (whether innocent or negligent), restitution or otherwise, arising in connection with the performance or contemplated performance of this Contract or any collateral contract insofar as it relates to the obligations set out in this Schedule 7, or the Data Protection Legislation, shall be limited to £[AMOUNT].]
- 6.11 Nothing in this Schedule 7 shall operate to limit or exclude the Supplier's liability for:
 - 6.11.1 any of its direct statutory obligations under the Data Protection Legislation; or
 - 6.11.2 any liability imposed Article 82 of the UK GDPR.

ANNEX 1 - PARTICULARS OF THE PROCESSING

1 PARTICULARS OF PROCESSING

1.1 SCOPE

[INSERT DETAILS OF THE SCOPE OF ACTIVITIES THAT THE SUPPLIER IS CARRYING OUT UNDER THE CONTRACT, PARTICULARLY IN RESPECT OF PERSONAL DATA]

1.2 NATURE

[INSERT HIGH LEVEL DETAILS OF WHAT THE SUPPLIER WILL BE DOING IN RESPECT OF PERSONAL DATA.]

1.3 PURPOSE OF PROCESSING

[INSERT EXPLANATION AS TO WHY THE SUPPLIER NEEDS TO PROCESS THE PERSONAL DATA, FOR EXAMPLE TO DELIVER THE SERVICES]

1.4 DURATION OF THE PROCESSING

[INSERT DETAILS AS TO HOW LONG THE SUPPLIER WILL PROCESS THE PERSONAL DATA. THIS IS LIKELY TO ALIGN WITH THE TERM OF THE CONTRACT.]

2 TYPES OF PERSONAL DATA

[INSERT DETAILS OF THE TYPES OF PERSONAL DATA THAT THE SUPPLIER WILL PROCESS]

3 CATEGORIES OF DATA SUBJECT

[INSERT DETAILS OF DATA SUBJECTS (FOR EXAMPLE, NEST STAFF OR MEMBERS)]

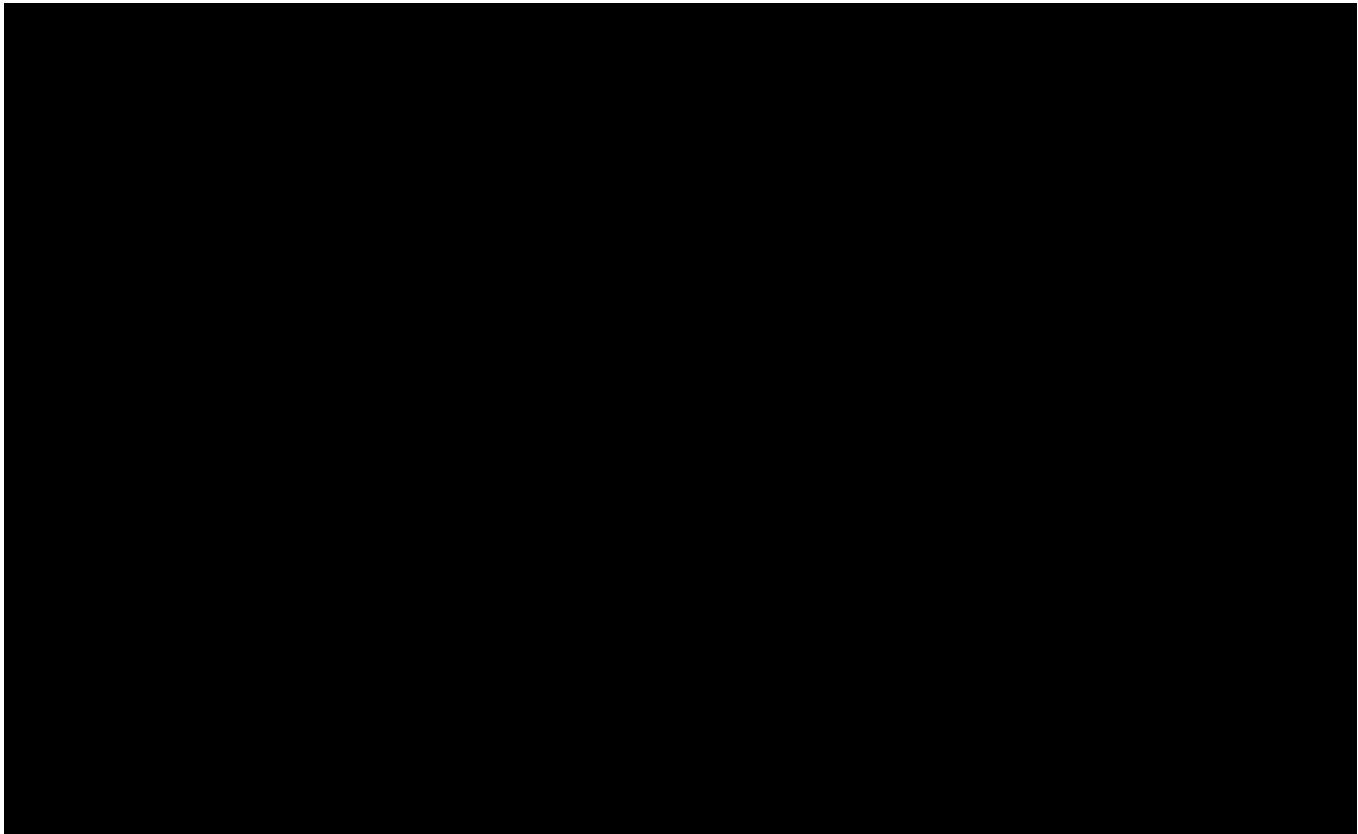
SCHEDULE 10

KEY PERSONNEL

1. INTRODUCTION

- 1.1 Annex 1 to this Schedule lists the key roles ("Key Roles") and names of the persons who the Supplier shall appoint to fill those Key Roles in respect of delivery of the Services at the Commencement Date ("Key Staff").
- 1.2 The Supplier shall ensure that the Key Staff fulfil the Key Roles at all times during the Term, and shall not remove or replace any Key Staff unless:
 - 1.2.1 requested to do so by NEST or NEST approves such removal or replacement (not to be unreasonably withheld or delayed);
 - 1.2.2 the person concerned resigns, retires or dies or is on parental or long-term sick leave; or
 - 1.2.3 the person's employment or contractual arrangement with the Supplier or subcontractor is terminated for material breach of contract by the employee.
- 1.3 NEST may identify any further roles as being Key Roles and, following agreement to the same by the Supplier, the relevant person selected to fill those Key Roles shall be included on the list of Key Staff.
- 1.4 The Supplier shall:
 - 1.4.1 notify NEST promptly of the absence of any Key Staff (other than for short-term sickness or holidays of 2 weeks or less, in which case the Supplier shall ensure appropriate temporary cover for that Key Role);
 - 1.4.2 ensure that any Key Role is not vacant for any longer than 10 Working Days;
 - 1.4.3 give as much notice as is reasonably practicable of its intention to remove or replace any member of Key Staff and, except in the cases of death, unexpected ill health or a material breach of the Key Staff's employment contract, this will mean at least 3 months' notice;
 - 1.4.4 ensure that all arrangements for planned changes in Key Staff provide adequate periods during which incoming and outgoing staff work together to transfer responsibilities and ensure that such change does not have an adverse impact on the provision of the Services; and
 - 1.4.5 ensure that any replacement for a Key Role has a level of qualifications and experience appropriate to the relevant Key Role and is fully competent to carry out the tasks assigned to the Key Staff whom they have replaced.
- 1.5 NEST may require the Supplier to remove or procure that any subcontractor shall remove any Key Staff that NEST considers in any respect unsatisfactory. NEST shall not be liable for the cost of replacing any Key Staff.

ANNEX 1: KEY ROLES



SCHEDULE 11

AUDITS AND REPORTS

7 AUDITS AND REPORTS

7.1 The Supplier shall, during the Term and for a period of at least 7 years following the expiry or termination of this Contract, maintain complete and accurate documents and records in relation to the provision of the Services.

“NEST shall have the right to review all contract accounts and records in respect of and in connection with the Contract upon no less than thirty (30) business days prior written notice to Supplier. Such review may be performed by NEST, its agent, or an independent third party (who does not offer services or products that compete with Supplier’s own), provided that if the review is performed by a third party, NEST obtains Supplier’s prior written consent, and the third party enters into an appropriate confidentiality agreement with the Supplier. NEST agrees to treat any findings or other information disclosed as a result of the review as Confidential Information.

7.2 Any such review shall be conducted not more frequently than once per calendar year and shall be scheduled upon prior written request of NEST on a date and time to be mutually agreed upon by the parties and in a manner that does not disrupt business operations. Notwithstanding anything to the contrary in this Schedule, NEST acknowledges that the reviewer will not be given access to any logs, records and other materials that contain information related to other clients of the Supplier. NEST also acknowledges that Supplier may require that certain of the logs, policies, records, or other materials be reviewed on-site due to their confidential nature and that the reviewer will not be permitted to copy them.”

7.3 The Supplier must provide information to the auditor and/or any regulator and provide reasonable co-operation at their request.

SCHEDULE 12AI

The applicability of the provisions of this Schedule shall be reviewed in the event that any element of the services required under any agreed Call Off Contract incorporates an AI system and shall only be incorporated subject to the agreement of the parties.

8 INTRODUCTION

- 8.1 This Schedule applies where any element(s) of the Services to be provided by the Supplier pursuant to this Contract incorporate(s) an AI System (as defined below).
- 8.2 Definitions applicable to this Schedule:

AI System: the AI system(s) as referred to in Annex 1 of this Schedule 12, including any new versions thereof.

Intended Purpose: the use for which the AI System is intended by NEST, including the specific context and conditions of use, as specified in Annex 1.

Reasonably Foreseeable Misuse: the use of the AI System in a way that is not in accordance with its Intended Purpose, but which may result from reasonably foreseeable human behaviour or interaction with other systems.

Substantial Modification: a change to the AI System which affects the compliance of the AI System with the requirements set out in this Schedule 12 or results in a modification to the Intended Purpose.

Training Data: any and all information, data, materials, text, prompts, images, and other content that is used to train, validate, test, retrain, or improve any AI System incorporated into or used with, in connection with, or in support of, the Services, except for NEST Materials.

9 RISK MANAGEMENT SYSTEM

- 9.1 The Supplier shall at all times ensure that a risk management system is established and maintained in respect of the AI System, comprising at least the following steps:
 - 9.1.1 identification, estimation and evaluation of the known and reasonably foreseeable risks to health, safety and fundamental rights of individuals that are likely to arise in the light of the Intended Purpose of the AI System and Reasonably Foreseeable Misuse;
 - 9.1.2 evaluation of other possibly arising risks;
 - 9.1.3 adoption of appropriate and targeted risk management measures designed to address the risks identified pursuant to points Paragraphs 9.1.1 and 9.1.2.
- 9.2 In identifying the most appropriate risk management measures, the Supplier shall ensure:
 - 9.2.1 the elimination or reduction of identified risks as far as technically feasible through adequate design and development of the AI System;

- 9.2.2 where appropriate, implementation of adequate mitigation and control measures in relation to risks that cannot be eliminated;
- 9.2.3 provision of adequate information to NEST.

9.3 The Supplier ensures that the AI System is regularly tested in order to verify whether the AI System complies with this Schedule 12, and whether the risk management measures referred to in this Paragraph 9 are effective in light of the Intended Purpose and Reasonably Foreseeable Misuse.

9.4 The Supplier shall document all risks identified, measures taken and tests performed in the context of compliance with this Paragraph 9 and must make such documentation available to NEST promptly upon request.

9.5 The Supplier shall regularly review and update the risk management system to ensure its continuing effectiveness, and keep all relevant documentation described in up to date.

10 TECHNICAL DOCUMENTATION

10.1 The Supplier shall provide to NEST up to date technical documentation relating to the AI System, at least sufficient to allow NEST to assess the compliance of the AI System with the provisions of this Schedule 12.

10.2 Such technical documentation shall include instructions for use of the AI System which are concise, complete, correct and clear information that is relevant, accessible and comprehensible to NEST.

11 RECORD KEEPING

11.1 The Supplier shall ensure that the AI System has the capability to enable automatic recording of events (“**Logs**”) while the AI System is operating which:

- 11.1.1 conform to recognised standards or common specifications;
- 11.1.2 ensure a level of traceability of the AI System's functioning throughout its lifecycle that is appropriate to the Intended Purpose of the system and Reasonably Foreseeable Misuse; and
- 11.1.3 enable the recording of events relevant for the identification of situations that may:
 - (a) result in the AI System presenting a risk to the health or safety or to the protection of fundamental rights of persons;
 - (b) lead to a Substantial Modification.

11.2 The Supplier will promptly provide NEST access the Logs automatically generated by the AI System upon request.

12 TRANSPARENCY

- 12.1 The Supplier shall ensure that the AI System is and shall continue to be designed and developed in such a way that the operation of the AI System is sufficiently transparent to enable NEST to reasonably understand the AI System's functioning.
- 12.2 The Supplier shall implement appropriate technical and organisational measures, and shall provide appropriate technical information, to allow NEST to explain the decisions taken by the AI System to the persons or group of persons on which the AI System is (intended to be) used.
- 12.3 The Supplier shall, upon request, assist NEST in explaining how the AI System arrived at a particular decision or outcome to the persons or group of persons on which the AI System is (intended to be) used. This shall include, as a minimum, a clear indication of the key factors that led the AI System to arrive at a particular result and the changes to the input that must be made in order for it to arrive at a different outcome.

13 HUMAN OVERSIGHT

- 13.1 The Supplier shall ensure that the AI System is and shall continue to be designed and developed in such a way, including with appropriate human-machine interface tools, that it can be effectively overseen by natural persons, associated with the AI System, including to:
 - 13.1.1 monitor the operation of the AI System, so that signs of anomalies, dysfunctions and unexpected performance can be detected and addressed as soon as possible;
 - 13.1.2 remain aware of the possible tendency of automatically relying or over-relying on the output produced by the AI System (automation bias), in particular if the AI System is used to provide information or recommendations for decisions to be taken by natural persons;
 - 13.1.3 be able to correctly interpret the AI System's output, taking into account in particular the characteristics of the system and the interpretation tools and methods available;
 - 13.1.4 be able to decide, in any particular situation, not to use the AI System or otherwise disregard, override or reverse the output of the AI System; and
 - 13.1.5 be able to intervene on the operation of the AI System or interrupt the system through a "stop" button or a similar procedure.

14 ACCURACY

- 14.1 The Supplier shall ensure that the AI System is and shall be designed and developed to achieve an appropriate level of accuracy, robustness, safety and cybersecurity, and perform consistently in those respects throughout the lifecycle of the AI System.

15 USE OF NEST MATERIALS AND CONFIDENTIAL INFORMATION

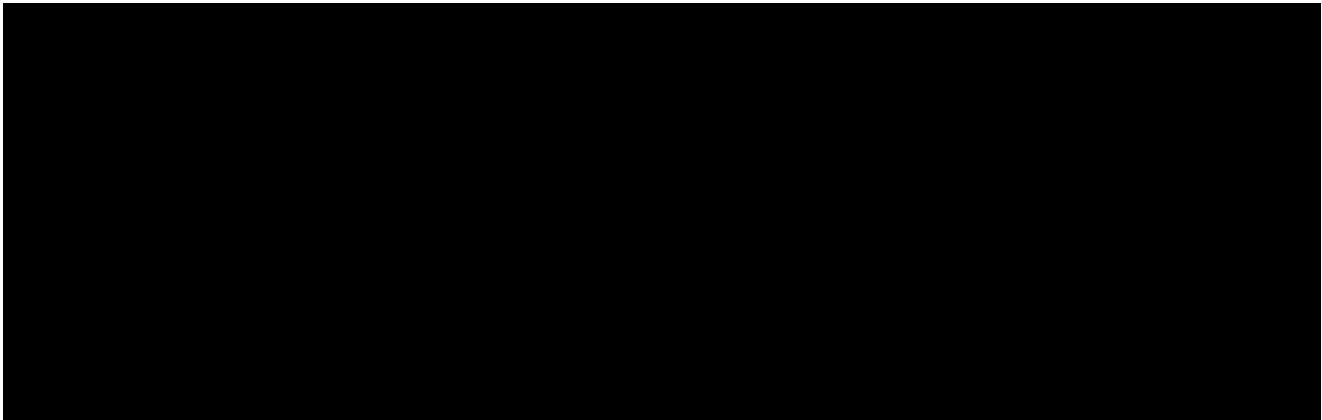
- 15.1 The Supplier shall not combine or commingle the NEST Materials, including any NEST Personal Data, with data or information of the Supplier or any third party, including Training Data, and shall logically segregate and isolate NEST Materials from all such Supplier and third-party data.
- 15.2 For avoidance of doubt, the Supplier shall not use, or permit any person to use, NEST Materials or any other confidential information of NEST to train, retrain, tune, validate, modify, update, or otherwise improve the AI System, the Services, or any other product or service, or as prompts for the AI System.

16 CORRECTIVE ACTIONS

- 16.1 If during the Term, the Supplier considers or has reason to consider that the AI System is not in conformity with this Schedule 12 it shall immediately notify NEST and shall take the necessary corrective actions to bring the AI System into conformity.

ANNEX 1 – AI SYSTEM

SCHEDULE 13



SCHEDULE 14

