**Schedule 30 (Exit Management)**

1. Definitions
   1. In this Schedule, the following words shall have the following meanings and they shall supplement Schedule 1 (*Definitions*):

|  |  |
| --- | --- |
| **"Ethical Wall Agreement"** | an ethical wall agreement in a form similar to the draft ethical wall agreement set out at Annex 2; |
| **"Exclusive Assets"** | Supplier Assets used exclusively by the Supplier in the provision of the Deliverables; |
| **"Exit Information"** | has the meaning given to it in Paragraph 3.1 of this Schedule; |
| **"Exit Manager"** | the person appointed by each Party to manage their respective obligations under this Schedule; |
| **"Net Book Value"** | the current net book value of the relevant Supplier Asset(s) calculated in accordance with the Tender (if stated) or (if not stated) the depreciation policy of the Supplier (which the Supplier shall ensure is in accordance with Good Industry Practice); |
| **"Non-Exclusive Assets"** | those Supplier Assets used by the Supplier in connection with the Deliverables but which are also used by the Supplier for other purposes; |
| **"Replacement Goods"** | any goods which are substantially similar to any of the Goods and which the Buyer receives in substitution for any of the Goods following the End Date, whether those goods are provided by the Buyer internally and/or by any third party; |
| **"Replacement Services"** | any services which are substantially similar to any of the Services and which the Buyer receives in substitution for any of the Services following the End Date, whether those goods are provided by the Buyer internally and/or by any third party; |
| **“Third Party Software”** | Software which is proprietary to any third party (other than an Affiliate of the Supplier) or any Open Source which in any case is, will be or is proposed to be used by the Supplier for the purposes of providing the Services; |
| **"Transferable Assets"** | Exclusive Assets which are capable of legal transfer to the Buyer; |
| **"Transferable Contracts"** | Sub-Contracts, licences for Supplier's Software, licences for Third Party Software or other agreements which are necessary to enable the Buyer or any Replacement Supplier to provide the Deliverables or the Replacement Goods and/or Replacement Services, including in relation to licences all relevant Documentation; |
| **"Transferring Assets"** | has the meaning given to it in Paragraph 8.2.1 of this Schedule; |
| **"Transferring Contracts"** | has the meaning given to it in Paragraph 8.2.3 of this Schedule; and |
| **"Virtual Library"** | the data repository hosted by the Supplier containing the accurate information about this Contract and the Deliverables in accordance with Paragraph 2.2 of this Schedule. |

1. Supplier must always be prepared for contract exit
   1. The Supplier shall within thirty (30) days from the Effective Date provide to the Buyer a copy of its depreciation policy to be used for the purposes of calculating Net Book Value.
   2. During the Contract Period, the Supplier shall within thirty (30) days from the Effective Date (or such other period as is specified in the Award Form) create and maintain a Virtual Library containing:
      1. a detailed register of all Supplier Assets (including description, condition, location and details of ownership and status as either Exclusive Assets or Non-Exclusive Assets and Net Book Value) and Sub-contracts and other relevant agreements required in connection with the Deliverables; and
      2. a configuration database detailing the technical infrastructure, a schedule of the IPRs (consistent with Annex 1 of Schedule 6 (*Intellectual Property*) which the Buyer reasonably requires to benefit from the Deliverables (including who is the owner of such IPRs, the contact details of the owner and whether or not such IPRs are held in escrow), any plans required to be delivered by the Supplier pursuant to Schedule 14 (*Business Continuity and Disaster Recovery*) or Schedule 24 (*Financial Difficulties*) and operating procedures through which the Supplier provides the Deliverables,

and the Supplier shall ensure the Virtual Library is structured and maintained in accordance with open standards and the security requirements set out in this Contract and is readily accessible by the Buyer at all times. All information contained in the Virtual Library should be maintained and kept up to date in accordance with the time period set out in the Award Form.

* 1. The Supplier shall add to the Virtual Library a list of Supplier Staff and Staffing Information (as that term is defined in Schedule 7 (*Staff Transfer)*) in connection with the Deliverables in accordance with the timescales set out in Paragraphs 1.1, 1.2 of Part E of Schedule 7 (*Staff Transfer*).
  2. The Supplier shall:
     1. ensure that all Exclusive Assets listed in the Virtual Library are clearly physically identified as such; and
     2. procure that all licences for Third Party Software and all Sub-Contracts shall be assignable and/or capable of novation (at no cost or restriction to the Buyer) at the request of the Buyer to the Buyer (and/or its nominee) and/or any Replacement Supplier upon the Supplier ceasing to provide the Deliverables (or part of them) and if the Supplier is unable to do so then the Supplier shall promptly notify the Buyer and the Buyer may require the Supplier to procure an alternative Subcontractor or provider of Deliverables.
  3. Each Party shall appoint an Exit Manager within three (3) Months of the Effective Date. The Parties' Exit Managers will liaise with one another in relation to all issues relevant to the expiry or termination of this Contract.

1. Assisting re-competition for Deliverables
   1. The Supplier shall, on reasonable notice, provide to the Buyer and/or its potential Replacement Suppliers (subject to the potential Replacement Suppliers entering into reasonable written confidentiality undertakings), such information (including any access) as the Buyer shall reasonably require in order to facilitate the preparation by the Buyer of any tender notice or associated tender documents and/or to facilitate any potential Replacement Suppliers undertaking due diligence, including without limitation, such information as is required to be provided under Schedule 7 (*Staff Transfer*) (the **"Exit Information"**).
   2. The Supplier acknowledges that the Buyer may disclose the Supplier's Confidential Information (excluding the Supplier's or its Subcontractors' prices or costs) to an actual or prospective Replacement Supplier to the extent that such disclosure is necessary in connection with such engagement.
   3. The Supplier shall provide complete updates of the Exit Information on an as-requested basis as soon as reasonably practicable or within such other time limits as may be specified within this Contract and notify the Buyer within five (5) Working Days of any material change to the Exit Information which may adversely impact upon the provision of any Deliverables (and shall consult the Buyer in relation to any such changes).
   4. The Exit Information shall be accurate and complete in all material respects and shall be sufficient to enable a third party to prepare an informed offer for those Deliverables; and not be disadvantaged in any procurement process compared to the Supplier.
   5. The Buyer may require the Supplier to enter into the Ethical Wall Agreement at any point during a re-tendering or contemplated re-tendering of the Deliverables or any part of the Deliverables.
   6. If required to enter into the Ethical Wall Agreement, the Supplier will return a signed copy of the Ethical Wall Agreement within ten (10) Working Days of receipt. The Supplier's costs of entering into the Ethical Wall Agreement will be borne solely by the Supplier.
2. Exit Plan
   1. The Supplier shall, within three (3) Months after the Start Date, deliver to the Buyer a plan which complies with the requirements set out in Paragraph 4.3 of this Schedule and is otherwise reasonably satisfactory to the Buyer (the **"Exit Plan"**).
   2. The Parties shall use reasonable endeavours to agree the contents of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within twenty (20) Working Days of the latest date for its submission pursuant to Paragraph 4.1, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.
   3. The Exit Plan shall set out, as a minimum:
      1. how the Exit Information is obtained;
      2. a mechanism for dealing with partial termination on the assumption that the Supplier will continue to provide the remaining Deliverables under this Contract;
      3. the management structure to be employed during the Termination Assistance Period;
      4. a detailed description of both the transfer and cessation processes, including a timetable;
      5. how the Deliverables will transfer to the Replacement Supplier and/or the Buyer;
      6. details of any contracts which will be available for transfer to the Buyer and/or the Replacement Supplier upon the Expiry Date together with any reasonable costs required to effect such transfer;
      7. the scope of Termination Assistance that may be required for the benefit of the Buyer (including which services set out in Annex 1 are applicable);
      8. how Termination Assistance will be provided, including a timetable and critical issues for providing Termination Assistance;
      9. any charges that would be payable for the provision of Termination Assistance (calculated in accordance with Paragraph 4.4 below) together with a capped estimate of such charges;
      10. proposals for the training of key members of the Replacement Supplier's staff in connection with the continuation of the provision of the Deliverables following the Expiry Date;
      11. proposals for providing the Buyer or a Replacement Supplier copies of all documentation relating to the use and operation of the Deliverables and required for their continued use;
      12. proposals for the assignment or novation of all services utilised by the Supplier in connection with the supply of the Deliverables;
      13. proposals for the identification and return of all Buyer Property in the possession of and/or control of the Supplier or any third party;
      14. proposals for the disposal of any redundant Deliverables and materials;
      15. how the Supplier will ensure that there is no disruption to or degradation of the Deliverables during the Termination Assistance Period; and
      16. any other information or assistance reasonably required by the Buyer or a Replacement Supplier.
   4. Any charges payable as a result of the Supplier providing Termination Assistance shall be calculated and charged in accordance with Schedule 3 (*Charges*)*.* The Supplier shall be entitled to increase or vary the Charges only if it can demonstrate in the Exit Plan that the provision of Termination Assistance requires additional resources and, in any event, any change to the Charges resulting from the provisions of Termination Assistance will be strictly proportionate to the level of resources required for the provision of the Termination Assistance Services.
   5. The Supplier shall:
      1. maintain and update the Exit Plan (and risk management plan) no less frequently than:
         1. every twelve (12) months throughout the Contract Period;
         2. no later than twenty (20) Working Days after a request from the Buyer for an up-to-date copy of the Exit Plan;
         3. as soon as reasonably possible following a Termination Assistance Notice, and in any event no later than [ten (10) Working Days after the date of the Termination Assistance Notice;
         4. as soon as reasonably possible following, and in any event no later than twenty (20) Working Days following, any material change to the Deliverables (including all changes under the Variation Procedure); and
      2. jointly review and verify the Exit Plan if required by the Buyer and promptly correct any identified failures.
   6. Only if (by notification to the Supplier in writing) the Buyer agrees with a draft Exit Plan provided by the Supplier under Paragraph 4.2 or 4.5 (as the context requires), shall that draft become the Exit Plan for this Contract.
   7. A version of an Exit Plan agreed between the parties shall not be superseded by any draft submitted by the Supplier.
3. Termination Assistance
   1. The Buyer shall be entitled to require the provision of Termination Assistance at any time during the Contract Period by giving written notice to the Supplier (a **"Termination Assistance Notice"**) at least four (4) Months prior to the Expiry Date or as soon as reasonably practicable (but in any event, not later than one (1) Month) following the service by either Party of a Termination Notice. The Termination Assistance Notice shall specify:
      1. the nature of the Termination Assistance required; and
      2. the start date and period during which it is anticipated that Termination Assistance will be required, which shall continue no longer than twelve (12) Months after the End Date.
   2. The Buyer shall have an option to extend the Termination Assistance Period beyond the initial period specified in the Termination Assistance Notice in one or more extensions, in each case provided that:
      1. no such extension shall extend the Termination Assistance Period beyond the date eighteen (18) Months after the End Date; and
      2. the Buyer shall notify the Supplier of any such extension by serving not less than twenty (20) Working Days' written notice upon the Supplier.
   3. The Buyer shall have the right to terminate its requirement for Termination Assistance by serving not less than twenty (20) Working Days' written notice upon the Supplier.
   4. In the event that Termination Assistance is required by the Buyer but at the relevant time the parties are still agreeing an update to the Exit Plan pursuant to Paragraph 4, the Supplier will provide the Termination Assistance in good faith and in accordance with the principles in this Schedule and the last Buyer approved version of the Exit Plan (insofar as it still applies).
4. Termination Assistance Period
   1. Throughout the Termination Assistance Period the Supplier shall:
      1. continue to provide the Deliverables (as applicable) and otherwise perform its obligations under this Contract and, if required by the Buyer, provide the Termination Assistance;
      2. provide to the Buyer and/or its Replacement Supplier any reasonable assistance and/or access requested by the Buyer and/or its Replacement Supplier including assistance and/or access to facilitate the orderly transfer of responsibility for and conduct of the Deliverables to the Buyer and/or its Replacement Supplier;
      3. use all reasonable endeavours to reallocate resources to provide such assistance without additional costs to the Buyer;
      4. subject to Paragraph 6.3, provide the Deliverables and the Termination Assistance at no detriment to the Key Performance Indicators, the provision of the Management Information or any other reports nor to any other of the Supplier's obligations under this Contract;
      5. at the Buyer's request and on reasonable notice, deliver up-to-date contents of the Virtual Library to the Buyer; and
      6. seek the Buyer's prior written consent to access any Buyer Premises from which the de-installation or removal of Supplier Assets is required.
   2. If it is not possible for the Supplier to reallocate resources to provide such assistance as is referred to in Paragraph 6.1.2 without additional costs to the Buyer, any additional costs incurred by the Supplier in providing such reasonable assistance shall be subject to the Variation Procedure.
   3. If the Supplier demonstrates to the Buyer's reasonable satisfaction that the provision of the Termination Assistance will have a material, unavoidable adverse effect on the Supplier's ability to meet one or more particular Key Performance Indicators, the Parties shall vary the relevant Key Performance Indicators and/or the applicable Service Credits accordingly.
5. Obligations when the contract is terminated
   1. The Supplier shall comply with all of its obligations contained in the Exit Plan.
   2. Upon termination or expiry or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Deliverables and the Termination Assistance), the Supplier shall:
      1. cease to use the Government Data, other than Government Data (i) the Supplier is required to retain copies of by Law (ii) that is Personal Data in respect of which the Supplier is a Controller; and (iii) in respect of which the Supplier has rights to hold the Government Data independently of this Contract;
      2. vacate any Buyer Premises;
      3. remove the Supplier Equipment together with any other materials used by the Supplier to supply the Deliverables and shall leave the Sites in a clean, safe and tidy condition. The Supplier is solely responsible for making good any damage to the Sites or any objects contained thereon, other than fair wear and tear, which is caused by the Supplier;
      4. provide access during normal working hours to the Buyer and/or the Replacement Supplier for up to twelve (12) Months after expiry or termination to:
         1. such information relating to the Deliverables as remains in the possession or control of the Supplier; and
         2. such members of the Supplier Staff as have been involved in the design, development and provision of the Deliverables and who are still employed by the Supplier, provided that the Buyer and/or the Replacement Supplier shall pay the reasonable costs of the Supplier actually incurred in responding to such requests for access.
   3. Upon partial termination, termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Assistance and its compliance with the other provisions of this Schedule), each Party shall return to the other Party (or if requested, destroy or delete) all Confidential Information of the other Party in respect of the terminated Services and shall certify that it does not retain the other Party's Confidential Information save to the extent (and for the limited period) that such information needs to be retained by the Party in question for the purposes of providing or receiving any Services or Termination Assistance or for statutory compliance purposes.
6. Assets, Sub-contracts and Software
   1. Following notice of termination of this Contract and during the Termination Assistance Period, the Supplier shall not, without the Buyer's prior written consent:
      1. terminate, enter into or vary any Sub-contract or licence for any software in connection with the Deliverables; or
      2. (subject to normal maintenance requirements) make material modifications to, or dispose of, any existing Supplier Assets or acquire any new Supplier Assets.
   2. Within twenty (20) Working Days of receipt of the up-to-date contents of the Virtual Library provided by the Supplier, the Buyer shall notify the Supplier setting out:
      1. which, if any, of the Transferable Assets the Buyer requires to be transferred to the Buyer and/or the Replacement Supplier (**"Transferring Assets"**);
      2. which, if any, of:
         1. the Exclusive Assets that are not Transferable Assets; and
         2. the Non-Exclusive Assets,

the Buyer and/or the Replacement Supplier requires the continued use of; and

* + 1. which, if any, of Transferable Contracts the Buyer requires to be assigned or novated to the Buyer and/or the Replacement Supplier (the **"Transferring Contracts"**), in order for the Buyer and/or its Replacement Supplier to provide the Deliverables from the expiry of the Termination Assistance Period. The Supplier shall provide all reasonable assistance required by the Buyer and/or its Replacement Supplier to enable it to determine which Transferable Assets and Transferable Contracts are required to provide the Deliverables or the Replacement Goods and/or Replacement Services. Where requested by the Supplier, the Buyer and/or its Replacement Supplier shall discuss in good faith with the Supplier which Transferable Contracts are used by the Supplier in matters unconnected to the Services or Replacement Services.
  1. With effect from the expiry of the Termination Assistance Period, the Supplier shall sell the Transferring Assets to the Buyer and/or the Replacement Supplier for their Net Book Value less any amount already paid for them through the Charges.
  2. Risk in the Transferring Assets shall pass to the Buyer or the Replacement Supplier (as appropriate) at the end of the Termination Assistance Period and title shall pass on payment for them.
  3. Where the Buyer and/or the Replacement Supplier requires continued use of any Exclusive Assets that are not Transferable Assets or any Non-Exclusive Assets, the Supplier shall as soon as reasonably practicable:
     1. procure a non-exclusive, perpetual, royalty-free licence for the Buyer and/or the Replacement Supplier to use such assets (with a right of sub-licence or assignment on the same terms); or failing which
     2. procure a suitable alternative to such assets, the Buyer or the Replacement Supplier to bear the reasonable proven costs of procuring the same.
  4. The Supplier shall as soon as reasonably practicable assign or procure the novation of the Transferring Contracts to the Buyer and/or the Replacement Supplier. The Supplier shall execute such documents and provide such other assistance as the Buyer reasonably requires to effect this novation or assignment.
  5. The Buyer shall:
     1. accept assignments from the Supplier or join with the Supplier in procuring a novation of each Transferring Contract; and
     2. once a Transferring Contract is novated or assigned to the Buyer and/or the Replacement Supplier, discharge all the obligations and liabilities created by or arising under that Transferring Contract and exercise its rights arising under that Transferring Contract, or as applicable, procure that the Replacement Supplier does the same.
  6. The Supplier shall hold any Transferring Contracts on trust for the Buyer until the transfer of the relevant Transferring Contract to the Buyer and/or the Replacement Supplier has taken place.
  7. The Supplier shall indemnify the Buyer (and/or the Replacement Supplier, as applicable) against each loss, liability and cost arising out of any claims made by a counterparty to a Transferring Contract which is assigned or novated to the Buyer (and/or Replacement Supplier) pursuant to Paragraph 8.6 in relation to any matters arising prior to the date of assignment or novation of such Transferring Contract. Clause 23.2 (*Other people's rights in this contract*) shall not apply to this Paragraph 8.9 which is intended to be enforceable by third party beneficiaries by virtue of the CRTPA.

1. No charges

Unless otherwise stated, the Buyer shall not be obliged to pay for costs incurred by the Supplier in relation to its compliance with this Schedule.

1. Dividing the bills
   1. All outgoings, expenses, rents, royalties and other periodical payments receivable in respect of the Transferring Assets and Transferring Contracts shall be apportioned between the Buyer and/or the Replacement and the Supplier as follows:
      1. the amounts shall be annualised and divided by three hundred and sixty five (365) to reach a daily rate;
      2. the Buyer or Replacement Supplier (as applicable) shall be responsible for or entitled to (as the case may be) that part of the value of the invoice pro rata to the number of complete days following the transfer, multiplied by the daily rate; and
      3. the Supplier shall be responsible for or entitled to (as the case may be) the rest of the invoice.
2. Annex  – Scope of Termination Assistance
3. Scope of Termination Assistance
   1. The Buyer may specify that any of the following services will be provided by the Supplier as part of its Termination Assistance:
      1. notifying the Subcontractors of procedures to be followed during the Termination Assistance Period and providing management to ensure these procedures are followed;
      2. providing assistance and expertise as necessary to examine all operational and business processes (including all supporting documentation) in place and re-writing and implementing processes and procedures such that they are appropriate for use by the Buyer and/or the Replacement Supplier after the end of the Termination Assistance Period;
      3. providing details of work volumes and staffing requirements over the twelve (12) Months immediately prior to the commencement of Termination Assistance;
      4. providing assistance and expertise as necessary to examine all governance and reports in place for the provision of the Deliverables and re-writing and implementing these during and for a period of twelve (12) Months after the Termination Assistance Period;
      5. providing assistance and expertise as necessary to examine all relevant roles and responsibilities in place for the provision of the Deliverables and re-writing and implementing these such that they are appropriate for the continuation of provision of the Deliverables after the Termination Assistance Period;
      6. agreeing with the Buyer an effective communication strategy and joint communications plan which sets out the implications for Supplier Staff, Buyer staff, customers and key stakeholders;
      7. agreeing with the Buyer a handover plan for all of the Supplier's responsibilities as set out in the Security Management Plan;
      8. providing an information pack listing and describing the Deliverables for use by the Buyer in the procurement of the Replacement Deliverables;
      9. answering all reasonable questions from the Buyer and/or the Replacement Supplier regarding the Deliverables;
      10. agreeing with the Buyer and/or the Replacement Supplier a plan for the migration of the Government Data to the Buyer and/or the Replacement Supplier;
      11. providing access to the Buyer and/or the Replacement Supplier during the Termination Assistance Period and for a period not exceeding six (6) Months afterwards for the purpose of the smooth transfer of the provision of the Deliverables to the Buyer and/or the Replacement Supplier:
          1. to information and documentation relating to the Deliverables that is in the possession or control of the Supplier or its Subcontractors (and the Supplier agrees and will procure that its Subcontractors do not destroy or dispose of that information within this period) including the right to take reasonable copies of that material; and
          2. following reasonable notice and during the Supplier's normal business hours, to members of the Supplier Staff who have been involved in the provision or management of the provision of the Deliverables and who are still employed or engaged by the Supplier or its Subcontractors, including those employees filling the relevant Key Staff positions and Key Staff with specific knowledge in respect of the Exit Plan;
      12. knowledge transfer services, including:
          1. making available to the Buyer and/or the Replacement Supplier expertise to analyse training requirements and provide all necessary training for the use of tools by such staff at the time of termination or expiry as are nominated by the Buyer and/or the Replacement Supplier (acting reasonably);
          2. transferring all training material and providing appropriate training to those Buyer and/or Replacement Supplier staff responsible for internal training in connection with the provision of the Deliverables;
          3. providing as early as possible for transfer to the Buyer and/or the Replacement Supplier of all knowledge reasonably required for the provision of the Deliverables which may, as appropriate, include information, records and documents;
          4. providing the Supplier and/or the Replacement Supplier with access to sufficient numbers of the members of the Supplier Staff or Subcontractors' personnel of suitable experience and skill and as have been involved in the design, development, provision or management of provision of the Deliverables and who are still employed or engaged by the Supplier or its Subcontractors; and
          5. allowing the Buyer and/or the Replacement Supplier to work alongside and observe the performance of the Services by the Supplier at its Sites used to fulfil the Services (subject to compliance by the Buyer and the Replacement Supplier with any applicable security and/or health and safety restrictions,

#### and any such person who is provided with knowledge transfer services will sign a confidentiality undertaking in favour of the Supplier (in such form as the Supplier shall reasonably require)).

* 1. The Supplier will:
     1. provide a documented plan relating to the training matters referred to in Paragraph 1.1.12 for agreement by the Buyer at the time of termination or expiry of this Contract; and
     2. co-operate fully in the execution of the handover plan agreed pursuant to Paragraph 1.1.7, providing skills and expertise of a suitable standard.
  2. To facilitate the transfer of knowledge from the Supplier to the Buyer and/or its Replacement Supplier, the Supplier shall provide a detailed explanation of the procedures and operations used to provide the Services to the operations staff of the Buyer and/or the Replacement Supplier.
  3. The information which the Supplier will provide to the Buyer and/or the Replacement Supplier pursuant to Paragraph 1.1.11 shall include:
     1. copies of up-to-date procedures and operations manuals;
     2. product information;
     3. agreements with third party suppliers of goods and services which are to be transferred to the Buyer and/or the Replacement Supplier; and
     4. key support contact details for third party supplier personnel under contracts which are to be assigned or novated to the Buyer pursuant to this Schedule,

and such information shall be updated by the Supplier at the end of the Termination Assistance Period.

* 1. During the Termination Assistance Period the Supplier shall grant any agent or personnel (including employees, consultants and suppliers) of the Replacement Supplier and/or the Buyer access, during business hours and upon reasonable prior written notice, to any Sites for the purpose of effecting a prompt knowledge transfer provided that:
     1. any such agent or personnel (including employees, consultants and suppliers) having such access to any Sites shall:
        1. sign a confidentiality undertaking in favour of the Supplier (in such form as the Supplier shall reasonably require); and
        2. during each period of access comply with the security, systems and facilities operating procedures of the Supplier relevant to such Site and that the Buyer deems reasonable; and
     2. the Buyer and/or the Replacement Supplier shall pay the reasonable, proven and proper costs of the Supplier incurred in facilitating such access.

1. Annex  – Draft Ethical Wall Agreement

London LGPS CIV Limited

**and**

[THE SUPPLIER]

**ETHICAL WALL** **AGREEMENT**

This Agreement is dated [ ] 20[ ] (the **"Effective Date"**).

**Between:**

1. **London LGPS CIV Limited** (the **"Buyer"**)] of 22 Lavington Street, London SE1 0NZ; and
2. **[NAME OF SUPPLIER]** a [company]/[limited liability partnership] registered in England and Wales under registered number [insert registered number] whose registered office is at [insert Supplier's registered address](the **"Supplier"**),

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

**BACKGROUND**

1. The Buyer is obliged to ensure transparency, fairness, non-discrimination and equal treatment in relation to its procurement process pursuant to the Procurement Act 2023 and any regulations made under it. The purpose of this document (**"Agreement"**) is to define the protocols to be followed to prevent, identify and remedy any conflict of interest (whether actual, potential or perceived) in the context of the Purpose (defined below).
2. The Buyer is conducting a procurement exercise for the supply of Asset Class Modelling and Allocation services (the **"Purpose"**).
3. The Parties wish to enter into this Agreement to ensure that a set of management processes, barriers and disciplines are put in place to ensure that conflicts of interest do not arise, and that the Supplier does not obtain an unfair competitive advantage over Other Bidders.

**IT IS AGREED**:

1. DEFINITIONS AND INTERPRETATION
   1. The following capitalised words and expressions shall have the following meanings in this Agreement and its recitals:
2. **"Affiliate"** means in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control of that body corporate from time to time;
3. **"Agreement"** means this ethical walls agreement duly executed by the Parties;
4. **"Bid Team"** means any Representatives of the Supplier, any of its Affiliates and/or any Subcontractors connected to the preparation of a Tender Response;
5. **"Central Government Body"** means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics, including:
   1. Government Departments;
   2. Non-Departmental Public Bodies or Assembly Sponsored Public Bodies (advisory, executive, or tribunal);
   3. Non-Ministerial Departments; or
   4. Executive Agencies;
6. **"Conflicted Personnel"** means any Representatives of:
7. the Supplier;
8. any of the Supplier's Affiliates; and/or
9. any Subcontractors,
10. who, because of the Supplier's, any of its Affiliates' and/or any Subcontractors' relationship with the Buyer under any Contract, have or have had access to information which creates or may create a conflict of interest or provide the Bid Team with an unfair advantage as regards information Other Bidders would not have;
11. **"Contract"** means any pre-existing or previous contract between the Buyer and:
    1. the Supplier;
    2. any of the Supplier's Affiliates;
    3. any Subcontractors; and/or
    4. any other Third Party,
12. relating to the subject matter of the Purpose at the date of the commencement of the Tender Process;
13. **"Control"** means control in either of the senses defined in sections 450 and 1124 of the Corporation Tax Act 2010 and **"Controlled"** shall be construed accordingly;
14. **"Effective Date"** means the date of this Agreement as set out above;
15. **"Other Bidder"** means any other bidder or potential bidder that is not the Supplier or any of its Affiliates that has taken or is taking part in the Tender Process;
16. **"Procurement Process"** means the period commencing on the earlier of: (a) the publication of the first notice in relation to the Purpose; and (b) the execution of this Agreement, and ending on the occurrence of: (i) the publication by the Buyer of the contract details notice; or (ii) the abandonment or termination of the Tender Process as notified by the Buyer;
17. **"Professional Advisor"** means a supplier, subcontractor, advisor or consultant engaged by the Supplier and/or any of its Affiliates under the auspices of compiling its Tender Response;
18. **"Purpose"** has the meaning given to it in recital B to this Agreement;
19. **"Representative"** refers to a person's officers, directors, employees, advisers (including the officers, directors, employees, advisers and agents of any Professional Advisors), agents and, where the context admits, providers or potential providers of finance (including their representatives) to the Supplier, any of its Affiliates and/or any subcontractors engaged in connection with the Tender Process;
20. **"Subcontractor"** means an existing or proposed subcontractor of:
    1. the Supplier; and/or
    2. any of the Supplier's Affiliates,
21. who is connected to the preparation of an Tender Response (including key subcontractors named in the Tender Response);
22. **"Tender Process"** means, with regard to the Purpose, the relevant procedure provided for in the Procurement Act 2023 (as amended), which the Buyer has elected to use to select a contractor or contractors, together with all relevant information, data, correspondence and/or documents issued and/or made available by or on behalf of the Buyer as part of that procurement exercise and all information, correspondence and/or documents issued and/or made available by or on behalf of the bidders in response together with any resulting contracts;
23. **"Tender Response"** means the tender(s) submitted, or to be submitted, by the Counterparty, any of its Affiliates and/or any Subcontractors in response to any invitation(s) to submit bids under the Tender Process;
24. **"Third Party"** means any person who is not a Party, including Other Bidders, their Affiliates and/or their Representatives; and
25. **"Working Day"** means any day of the week other than a weekend, when Banks in England and Wales are open for business.
    1. Reference to the disclosure of information includes any communication or making available information and includes both direct and indirect disclosure.
    2. Reference to the disclosure of information, or provision of access, by or to the Buyer, the Supplier, any of the Supplier's Affiliates and/or any Subcontractors includes disclosure, or provision of access, by or to the Representatives of the Buyer, the Supplier, any of its Affiliates and/or any Subcontractors (as the case may be).
    3. Reference to persons includes legal and natural persons.
    4. Reference to any enactment is to that enactment as amended, supplemented, re-enacted or replaced from time to time.
    5. Reference to clauses and recitals is to clauses of and recitals to this Agreement.
    6. Reference to any gender includes any other.
    7. Reference to writing includes email.
    8. The words **"include"** and **"including"** are to be construed without limitation.
    9. The singular includes the plural and vice versa.
    10. The headings contained in this Agreement shall not affect its construction or interpretation.
26. Ethical walls

In consideration of the sum of £1 payable by the Buyer to the Supplier, receipt of which is hereby acknowledged, the Parties agree to be bound by the terms of this Agreement.

1. Conflicts of Interest
   1. The Supplier:
      1. shall take all appropriate steps to ensure that neither the Supplier, nor its Affiliates, nor any Subcontractors nor any Representatives are in a position where, in the reasonable opinion of the Buyer, there is or may be an actual conflict, or a potential conflict, between the pecuniary or personal interests of the Supplier, any of its Affiliates, any Subcontractors and/or any Representatives and the duties owed to the Buyer under any Contract or pursuant to an open and transparent Tender Process; and
      2. acknowledges and agrees that a conflict of interest may arise in situations where the Supplier, any of its Affiliates, any Subcontractors and/or any Representatives intend to take part in the Tender Process and because of the Supplier's, any of its Affiliates', any Subcontractors' and/or any Representatives' relationship with the Buyer under any Contract, the Supplier, any of its Affiliates, any Subcontractors and/or any Representatives have or have had access to information which could provide the Supplier, any of its Affiliates, any Subcontractors and/or any Representatives with an advantage and render unfair an otherwise genuine and open competitive Tender Process.
   2. Where there is or is likely to be a conflict of interest, or the perception of a conflict of interest, of any kind in relation to the Tender Process, the Supplier shall take such steps that are necessary to eliminate the conflict of interest to the Buyer's satisfaction, including one or more of the following:
      1. not assigning any of the Conflicted Personnel to the Bid Team at any time;
      2. providing to the Buyer promptly upon request a complete and up to date list of any Conflicted Personnel and the personnel comprising the Bid Team and reissue such list to the Buyer promptly upon any change to it;
      3. ensuring that no act or omission by itself, its Affiliates, any Subcontractors and/or any Representatives results in information of any kind, however conveyed, or in any format and however so stored:
         1. about the Tender Process (gleaned from the performance of any Contract or otherwise); and/or
         2. which would or could in the opinion of the Buyer confer an unfair advantage on the Supplier in relation to its participation in the Tender Process,

becoming available to the Bid Team where the Buyer has not made generally available that information to Other Bidders;

* + 1. ensuring that by no act or omission by itself, its Affiliates, any Subcontractors and/or any Representatives and in particular the Bid Team results in information of any kind, however conveyed, in any format and however so stored about the Tender Process, its operation and all matters connected or ancillary to it becoming available to the Conflicted Personnel;
    2. ensure that agreements that flow down the Supplier's obligations in this Agreement, are entered into as necessary, between the Supplier and its Affiliates and any Subcontractors as evidenced by written agreement between the supplier and its Affiliates and any Subcontractors as appropriate;
    3. physically separating the Conflicted Personnel and the Bid Team, either in separate buildings or in areas with restricted access;
    4. providing regular training to its Affiliates, any Subcontractors and/or Representatives to ensure it is complying with this Agreement;
    5. monitoring Conflicted Personnel movements within restricted areas (both physical and electronic online areas) to ensure it is complying with this Agreement and to ensure adherence to the ethical wall arrangements the Supplier, its Affiliates, any Subcontractors and/or any Representatives have put in place in order to comply with this Agreement;
    6. ensuring that the Conflicted Personnel and the Bid Team are line managed and report independently of each other; and
    7. complying with any other action as the Buyer, acting reasonably, may direct in connection with the Tender Process and/or this Agreement.

1. Notification of Conflicts of Interest
   1. The Supplier shall:
      1. notify the Buyer immediately in writing of all perceived, potential and/or actual conflicts of interest that arise or have arisen;
      2. submit in writing to the Buyer full details of the nature of the perceived, potential and/or actual conflict of interest including full details of the risk assessments undertaken, the impact or potential impact of the perceived, potential and/or actual conflict, the measures and arrangements that have been established and/or are due to be established, to eliminate the perceived, potential and/or actual conflict, and the Supplier's plans to prevent potential conflicts of interests from arising (**"Proposed Avoidance Measures"**); and
      3. seek the Buyer's approval to the Proposed Avoidance Measures which the Buyer shall have the right to grant, grant conditionally or deny (if the Buyer rejects the Proposed Avoidance Measures the Supplier shall repeat the process set out in this Clause 2.4 until such time as the Buyer grants approval or the Supplier withdraws from the Tender Process).
   2. The Supplier will provide to the Buyer, on demand, any and all information in relation to its adherence with its obligations set out under Clauses 2.2 and 2.3 as reasonably requested by the Buyer.
   3. The Buyer reserves the right to require the Supplier to demonstrate the measures put in place by the Supplier under Clauses 2.2 and 2.3.
   4. The Supplier acknowledges that any provision of information or demonstration of measures, in accordance with Clauses 2.5 and 2.6, does not constitute acceptance by the Buyer of the adequacy of such measures and does not discharge the Supplier of its obligations or liability under this Agreement.
2. Exclusion from the Tender Process
   1. Where, in the reasonable opinion of the Buyer, there has been any breach by the Supplier of Clauses 2.2, 2.3, or 2.4 or failure to obtain the Buyer's approval of the Proposed Avoidance Measures the Buyer shall be entitled to exclude the Supplier, or any of its Affiliates and/or any Representatives, from the Tender Process, and the Buyer may, in addition to the right to exclude, take such other steps as it deems necessary.
   2. The actions of the Buyer pursuant to Clause 2.8 shall not prejudice or affect any right of action or remedy under this Agreement or at law which shall have accrued or shall thereafter accrue to the Buyer.
3. Bid Costs
   1. In no event shall the Buyer be liable for any bid costs incurred by:
      1. the Supplier or any of its Affiliates, any Representatives and/or any Subcontractors; or
      2. any Third Party,

as a result of any breach of this Agreement by the Supplier, any of its Affiliates, any Subcontractors and/or Representatives, including where the Supplier, any of its Affiliates, any Subcontractors or Representatives, or any Third Party is or are excluded from the Tender Process.

1. Specific Remedies
   1. The Supplier acknowledges and agrees that:
      1. neither damages nor specific performance are adequate remedies in the event of a breach of the obligations in Clause 2; and
      2. in the event of a breach of any of the obligations in Clause 2 which cannot be effectively remedied the Buyer shall have the right to terminate both this Agreement and the Supplier's participation in the Tender Process in each case with immediate effect on written notice.
2. Sole responsibility

It is the sole responsibility of the Supplier to comply with the terms of this Agreement, including ensuring its Affiliates, any Subcontractors, and/or any Representatives comply with the terms of this Agreement. No approval by the Buyer of any procedures, agreements or arrangements provided by the Supplier, any of its Affiliates, any Subcontractors and/or their Representatives to the Buyer shall discharge the Supplier's obligations.

1. Waiver and invalidity
   1. No failure or delay by any Party in exercising any right, power or privilege under this Agreement or by law shall constitute a waiver of that or any other right, power or privilege, nor shall it restrict the further exercise of that or any other right, power or privilege. No single or partial exercise of such right, power or privilege shall prevent or restrict the further exercise of that or any other right, power or privilege.
   2. If any provision of this Agreement is prohibited or unenforceable in any jurisdiction in relation to any Party, such prohibition or unenforceability will not invalidate the remaining provisions of this Agreement, or affect the validity or enforceability of the provisions of this Agreement in relation to any other Party or any other jurisdiction.
2. Assignment and novation
   1. The Supplier shall not assign, novate or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Agreement without the prior written consent of the Buyer.
   2. The Buyer may assign, novate or otherwise dispose of any or all of its rights, obligations and liabilities under this Agreement and/or any associated licences to:
      1. any Central Government Body; or
      2. to a body other than a Central Government Body (including any private sector body) which performs any of the functions that previously had been performed by the Buyer; and
      3. the Supplier shall, at the Buyer's request, enter into a novation agreement in such form as the Buyer may reasonably specify in order to enable the Buyer to exercise its rights pursuant to this Clause 5.
   3. A change in the legal status of the Buyer such that it ceases to be a Central Government Body shall not affect the validity of this Agreement and this Agreement shall be binding on any successor body to the Buyer.
3. Contracts (Rights of Third Parties) Act 1999

A person who is not a Party to this Agreement has no right under the Contract (Rights of Third Parties) Act 1999 (as amended, updated or replaced from time to time) to enforce any term of this Agreement, but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

1. Transparency

The Parties acknowledge and agree that the Buyer is under a legal duty pursuant to the Procurement Act 2023 to run procurement processes in accordance with section 12 of the Procurement Act 2023. Accordingly, the Buyer may disclose the contents of this Agreement to Other Bidders (and/or potential Other Bidders) for the purposes of transparency and in order to evidence that a fair procurement process has been followed.

1. Notices
   1. Any notices sent under this Agreement shall be in writing and be served by e-mail unless it is not practicable to do so.
   2. Subject to Clause 8.1, the following table sets out the method by which notices may be served under this Agreement and the respective deemed time and proof of service:

| **Manner of Delivery** | **Deemed time of service** | **Proof of service** |
| --- | --- | --- |
| Email. | 9.00am on the first Working Day after sending | Dispatched as a pdf attachment to an e-mail to the correct e-mail address without any error message. |
| Personal delivery. | On delivery, provided delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the next Working Day. | Properly addressed and delivered as evidenced by signature of a delivery receipt. |
| Prepaid, Royal Mail Signed For™ 1st Class or other prepaid, next Working Day service providing proof of delivery. | At the time recorded by the delivery service, provided that delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the same Working Day (if delivery before 9.00am) or on the next Working Day (if after 5.00pm). | Properly addressed prepaid and delivered as evidenced by signature of a delivery receipt. |

* 1. Notices shall be sent to the e-mail addresses (or address, where e-mail is not practicable) set out below or at such other address as the relevant Party may give notice to the other Party for the purpose of service of notices under this Agreement:

|  |  |  |
| --- | --- | --- |
|  | **Supplier** | **Buyer** |
| **Contact** |  | Ian Inglis |
| **Email** |  | procurement@londonciv.org.uk |
| **Address** |  | 22 Lavington Street. London SE1 0NZ |

* 1. This Clause 8 does not apply to the service of any proceedings or other documents in any legal action or other method of dispute resolution.

1. Waiver and cumulative remedies
   1. The rights and remedies under this Agreement may be waived only by notice, and in a manner that expressly states that a waiver is intended. A failure or delay by a Party in ascertaining or exercising a right or remedy provided under this Agreement or by law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
   2. Unless otherwise provided in this Agreement, rights and remedies under this Agreement are cumulative and do not exclude any rights or remedies provided by law, in equity or otherwise.
2. Term

Each Party's obligations under this Agreement shall continue in full force and effect for the period of the duration of the Procurement Process.

1. Governing law and jurisdiction
   1. This Agreement and any issues, disputes or claims (whether contractual or non-contractual) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales.
   2. The Parties agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) that arises out of or in connection with this Agreement or its subject matter or formation.

|  |  |
| --- | --- |
| Signed by the Buyer | Name:  Signature:  Position in Buyer: |

|  |  |
| --- | --- |
| Signed by the Supplier | Name:  Signature:  Position in Supplier: |