# 1 Assumptions

1.1 Changes to the scope of any Project will be managed by a formal change control process incorporating the possibility of changes to fees as a result. Change requests will be presented to the CLIENT project management office ("**PMO"**) after agreement with CLIENT's nominated representative:

1.2 CLIENT's Finance or PMO team will, within two Working Days of the Statement of Work Start Date, raise the purchase order to enable the Supplier to invoice for the sums set out in this Statement of Work and email the same to the Supplier.

1.3 Passing Acceptance Criteria and therefore ability to bill for Charges is not contingent or conditional in any way whatsoever on from the outcome of any audit or operational controls testing or review performed by control testing.

1.4 CLIENT will have sufficient resources assigned to this programme. CLIENT will specify where they would like the Supplier to supply additional resources not included in this Statement of Work.

1.5 Additional governance requirements and scope not explicitly included in the Deliverables (such as assistance with management of the CLIENT project management office and finance processes will constitute an extension of scope and will be executed by the Supplier on a time and materials basis on the basis of the rate card (as the same may be updated from time to time by the Supplier).

1.6 Unless explicitly stated, no output is a Supplier branded-deliverable and for the avoidance of doubt, no Deliverable provided by the Supplier shall constitute a certification or guarantee of any controls by the Supplier.

1.7 No Supplier staff member or associate is a control owner or operator for CLIENT.

1.8 Accountability for the execution, build and run of a Deliverable or Project, including all technical work required, will entirely remain with CLIENT.

1.9 Weekly project meetings are on a set schedule and are only changed based on formal CLIENT requests, which are recorded as they will impact delivery timelines and give rise to relief for the Supplier.

# 2 CLIENT Dependencies

2.1 In this Section:

(a) **CLIENT Dependency** means an activity set out in the columns headed "CLIENT Responsibilities" or "Third Party Responsibilities" in Table A in Appendix of this Statement of Work to be performed by CLIENT or a third party and on which the Supplier's achievement of a Milestone and/or other performance of the Services under this Statement of Work depends; and

(b) **CLIENT Dependency Failure** means a failure or delay by CLIENT or a third party to fulfil a CLIENT Dependency.

(c) **Delay** means a delay or failure to achieve a Milestone by the relevant Milestone Date.

2.2 The Supplier shall not be in breach of this Statement of Work or be deemed to have committed a Service Failure to the extent that the Supplier's failure is directly caused by a CLIENT Dependency Failure.

2.3 The Supplier shall:

(a) use all reasonable endeavours in accordance with Good Industry Practice to mitigate the effect of the CLIENT Dependency Failure (including by redeployment of its Supplier Personnel where it considers this practicable in view of the estimated Delay) and to perform the unaffected Services notwithstanding the CLIENT Dependency Failure; and

(b) provide written notice to the CLIENT Authorised Representative as soon as the Supplier becomes aware of the CLIENT Dependency Failure setting out in as much detail as is then available to it:

(i) the affected Services;

(ii) the cause of the Delay or interruption; and

(iii) details of the Supplier's estimate of the extent of the likely Delay or interruption.

(c) On receipt of the written notice pursuant to Section provide written notice to the CLIENT Authorised Representative as soon as the Supplier becomes aware of the CLIENT Dependency Failure setting out in as much detail as is then available to it:, the CLIENT Authorised Representative shall discuss the content of the notice with the Supplier, both parties acting reasonably, at the immediately subsequent Milestone Meeting. CLIENT shall, set an extension of time at least equal to the Delay and make any consequential revisions to any applicable Milestone Dates and Charges.

(d) CLIENT shall be obliged to:

(i) Co-operate with the Supplier in all matters relating to the Services.

(ii) Provide, for the Supplier and the Supplier Personnel, in a timely manner and at no charge, access to CLIENT's premises, office accommodation, data and other facilities as reasonably required by the Supplier in provision of the Services.

(iii) Provide, in a timely manner, such information as the Supplier may reasonably require in order for the Supplier to perform the Services.

(iv) Advise the Supplier of any health and safety information or advice which may affect the Supplier Personnel, during the performance of the Services.

(e) The Supplier's delivery of the Services in accordance with this Statement of Work and the Agreement is dependent on CLIENT's compliance with Section CLIENT shall be obliged to: and its completion of the following:

(i) Completion of the appropriate actions, within the agreed timescales, in accordance with the delivery plans maintained by the Supplier within each project.

(ii) Timely technology setup with access to information and systems agreed by both parties to be sufficient for completion of the Deliverables.

(iii) Nomination of key CLIENT stakeholders for input into the Projects forming part of the Services.

(iv) Provision of reasonable prior written notice of the dates on which the Supplier is required to present any significant progress reports to management.

(v) The provision of access for the Supplier to such personnel as it deems appropriate both within the Information Security, Business Unit and Information Technology functions of CLIENT.

(vi) CLIENT being responsible for owning and managing the relationship with any other third party with whom the Supplier may need to interact in order to deliver the Services.

(vii) Acting as final decision maker when Supplier progress on remediation has stalled as a result of disagreement between Third Party and CLIENT.

# 3 Remedies

3.1 If the Supplier fails to perform its obligations under this Statement of Work then, save where such failure arises as a result of or in connection with a failure by CLIENT or a third party to meet a CLIENT Dependency, the Supplier shall: (i) use reasonable endeavours to minimise the impact of its failure; (ii) use reasonable endeavours to correct the problem;

(iii) resume performance in accordance with this Statement of Work; and (iv) take appropriate steps to prevent the problem recurring.

3.2 if the Supplier fails to achieve Acceptance criteria in accordance to this Statement of Work of any Milestone Deliverable by the agreed Milestone Date, CLIENT shall not be obliged to pay the Charges for such Deliverable until the Supplier achieves Acceptance for such Deliverable.

3.3 If the Supplier fails to achieve Acceptance criteria in accordance to this Statement of Work of any Deliverable or Milestone agreed between the Parties to be a key deliverable as highlighted in the Appendix ("**Key Deliverable**") by the agreed longstop date for such Key Deliverable (which shall be the date falling three calendar months after the Milestone Date for such Key Deliverable) then, save where such failure arises as a result of or in connection with a failure by CLIENT or a third party to meet a CLIENT Dependency, (without prejudice to CLIENT's other rights and remedies, and the Supplier's other obligations) CLIENT shall not be obliged to pay the Charges for such Key Deliverable and may terminate this Statement of Work in respect of the delivery of that Key Deliverable only.

## 4 Step-in rights

4.1 Where CLIENT reasonably believes that the performance of the Services is or may be materially prevented or delayed as a result of a default or non-performance by the Supplier, then, save where such default or non-performance arises from or in connection with a failure by CLIENT or a third party to fulfil a CLIENT Dependency, CLIENT shall have the option to take control of that part of the Services that is affected by such default of non-performance ("**Step In**") provided that CLIENT has provided no less than 30 days' prior written notice ("**Step In Notice**") to the Supplier of its intention to Step In in accordance with Section below.

4.2 The Step-in Notice shall set out the following:

(a) the action ("**Step-In Action**") that CLIENT wishes to take or be taken in relation to and the Services into which it wishes to Step In;

(b) where CLIENT wishes to nominate a member (or members) of the CLIENT Group or a third party to take such Step-In Action on its behalf, the identity of such members of the CLIENT Group (or third party, as applicable);

(c) the reason for and objective of taking such Step-In Action;

(d) the date it wishes to commence such Step-In Action, which shall be no earlier than the date following the date of expiry of the 30 day notice period ("**Step-In Notice Period**"); and

(e) the duration that it believes will be necessary for such Step-In Action.

4.3 Following service of the Step-in Notice, if the Supplier has not remedied the default or the non-performance on or before 11:59pm on the date of expiry of the Step-In Notice Period, the Customer may take the Step-In Action.

4.4 For so long as and to the extent that the Step-In Action is continuing:

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

(b) CLIENT shall pay to the Supplier the Charges after deduction of:

(i) CLIENT's incremental costs incurred in taking the Step-In Action; and

(ii) any Charges for the Services in respect of which the Step-In Action was taken,

provided always that the incremental costs payable shall not exceed 50% of the Charges for the Services.

4.5 For the purposes of Section above, incremental costs shall mean:

(a) in relation to any costs and expenses relating to the engagement of any third party service providers, any costs and expenses greater than the applicable Charges; and

(b) in relation to the internal resource costs and expenses of any member of the CLIENT Group, any costs and expenses in addition to those normally incurred by a member of the CLIENT Group in connection with the Agreement.

4.6 Before ceasing to exercise its step in rights, CLIENT shall deliver a written notice to the Supplier (**Step-Out Notice**), specifying:

(a) the Step-In Action it has actually taken; and

(b) the date on which CLIENT plans to end the Step-In Action, subject to CLIENT being reasonably satisfied with the Supplier's ability to resume the provision of the Services

## 5 Delivery of Services

5.1 The Supplier shall ensure that all Supplier Personnel involved in the provision of the Services have suitable skills and experience to enable them to perform the tasks assigned to them and that such Supplier Personnel are in sufficient number to enable the Supplier to fulfil its obligations under this Agreement. The costs of any training for any Supplier Personnel shall be at the Supplier’s or Supplier Personnel’s own expense.

5.2 Where the Supplier provides a substitute or sub-contracts all or part of the Services, the Supplier shall be responsible for paying the substitute or Sub-Contractor and shall ensure that any agreement between the Supplier and any such substitute or Sub-Contractor shall contain obligations which correspond to the obligations of the Supplier under the terms of this Agreement.

5.3 The Supplier shall take all reasonable steps to avoid any unplanned changes of Supplier Personnel assigned to the performance of the Services but if the Supplier is unable for any reason to perform the Services the Supplier should inform CLIENT as soon as reasonably practicable on the first day of unavailability

5.4 The Supplier may provide the Services from such locations as are appropriate in the Supplier's judgment. When necessary, CLIENT will provide the Supplier with appropriate access to CLIENT's facilities as is necessary for the effective conduct of the Services.

5.5 CLIENT acknowledges and accepts that the Supplier is in business on its own account and the Supplier shall be entitled to seek, apply for, accept and perform contracts to supply its services to any third party during the Statement of Work Term.

5.6 The Supplier alone is responsible for the provision of the Services. No Supplier Personnel or any advisor to the Supplier or any director, officer or employee of, or any consultant or other advisor to, any Supplier Personnel or advisor to the Supplier including any company through which such Supplier Personnel or advisor provides its Services ("Third-Party Company") other than the Supplier assumes any personal responsibility to CLIENT and accordingly, no Supplier Personnel, advisor or Third-Party Company shall owe CLIENT any personal duty of care. Accordingly, when instructing the Supplier, CLIENT hereby agrees that:

(a) it will not bring any claim whether in contract, tort, under statute or otherwise against any Supplier Personnel, any advisor to the Supplier or any Third-Party Company; and

5.7 Although the Supplier shall conduct a review of CLIENT's systems and cyber security or operational resilience controls in the course of providing the Services, the parties acknowledge that nothing in this Agreement constitutes a warranty, representation or guarantee that the Supplier is providing any kind of audit or assurance service relating to the effectiveness of CLIENT's security, processes, controls, operation and execution of any of the Supplier's Deliverables or recommendations or any other kind of internal control environment. CLIENT retains all responsibility for the effectiveness, execution and operation of its internal controls.

# 6 Equipment

6.1 The Supplier will provide its own technology hardware, including laptop computers and mobile devices. The Supplier shall only use CLIENT provided hardware where it is required by CLIENT for data security reasons to allow the Supplier to access CLIENT's systems.

# 7 Intellectual Property

7.1 CLIENT shall have no claim under the indemnity to the extent the infringement arises from:

(a) Any modification of the Deliverables, Supplier Background IPR or Services, other than by or on behalf of the Supplier.

(b) Compliance with CLIENT's specifications or instructions where infringement could not have been avoided while complying with such specifications or instructions; and provided that the Supplier shall notify CLIENT if it knows or suspects that compliance with such specification or instruction may result in infringement; and where CLIENT continues to make use of such Services or Deliverables despite having been notified by the Supplier.

## 8 Limitation of liability

8.1 If either party (the "Indemnifying Party") is required to indemnify the other party (the "Indemnified Party") under this Agreement, the Indemnified Party shall:

(a) Notify the Indemnifying Party in writing of any claim against it in respect of which it wishes to rely on an indemnity under this Agreement.

(b) allow the Indemnifying Party, at its own cost, to conduct all negotiations and proceedings and to settle the said claim, always provided that the Indemnifying Party shall obtain the Indemnified Party's prior approval of any settlement terms, such approval not to be unreasonably withheld or delayed.

(c) Provide the Indemnifying Party with such reasonable assistance regarding the claim as is required by the Indemnifying Party, subject to reimbursement by the Indemnifying Party of the Indemnified Party's costs so incurred.

(d) Not, without prior consultation with the Indemnifying Party, make any admission relating to the claim or attempt to settle it, provided that the Indemnifying Party considers and defends any claim diligently using competent counsel and in such a way as not to bring the reputation of the Indemnified Party into disrepute.

8.2 Where the value of any claim notified to a party pursuant to this Statement of Work exceeds or is reasonably likely to exceed any limit on the Indemnifying Party's liability, both parties shall discuss in good faith with a view to determining a mutually agreed joint strategy for conduct of the negotiation and proceedings and settlement of such claim. Where the parties are unable to agree on a mutually agreed joint strategy, the Dispute will be escalated for resolution.

## 9 Independent Status and Indemnities

9.1 The Supplier is an independent third-party supplier. Nothing in this Statement of Work shall render any Supplier Personnel an employee, worker, agent, or partner of CLIENT or any other member of the CLIENT Group. The Supplier agrees that it shall use reasonable endeavours to procure that the Supplier Personnel shall not hold themselves out as such.

9.2 As the Supplier Personnel are not employees or workers of CLIENT, the Supplier Personnel will not be entitled to receive from CLIENT or any member of the CLIENT Group any sick pay, holiday pay or pension or any other employee benefits, and the Supplier is solely responsible for declaring and paying all employment compensation, employment tax due including any income tax and national insurance, VAT and similar contributions in respect of the Charges paid under this Statement of Work.

9.3 The Supplier acknowledges that CLIENT is not prepared to engage Supplier Personnel to perform the Services or otherwise where both (i) the Supplier Personnel falls within the scope of the HMRC IR35 rules and/or the off payroll working rules (or replacement laws and/or rules in force from time to time) ("IR35") and (ii) the entity whose payroll the relevant Supplier Personnel is on ("Fee Payer") is based outside of the United Kingdom. Any proposal to supply any such Supplier Personnel will be refused and CLIENT reserves the right to immediately terminate the provision of the applicable Services by any Supplier Personnel in the event that the Fee Payer is no longer registered for United Kingdom taxation purposes with the United Kingdom taxation authorities and/or changes to an alternative Fee Payer which is not registered for United Kingdom taxation purposes with the United Kingdom taxation authorities.

9.4 The Supplier shall procure that the Supplier Personnel shall be:

(a) an employee on the payroll of the Supplier; or

(b) working under a contract for services with a third party company and the Supplier shall be a customer of that third party company; or

(c) employed by a third-party company on a contract of service and the Supplier shall be a customer of that third party company.

9.5 CLIENT shall be responsible for determining whether the engagement of any Supplier Personnel falls within IR35 for the purpose of this Statement of Work.

9.6 If CLIENT is required by any laws to make an employment status determination for any Supplier Personnel it shall use its reasonable endeavours to make the employment status determination on or before the commencement of any engagement of such Supplier Personnel or as soon as is reasonably practicable. CLIENT's obligation shall be ongoing in relation to any new Supplier Personnel following the initial determination where the circumstances of such Supplier Personnel's engagement with CLIENT changes.

9.7 The Supplier shall (and shall procure that any Supplier Personnel shall) provide CLIENT on demand, and in any case no less than two (2) weeks in advance of the commencement of any engagement by the Supplier of any Supplier Personnel, with all the information necessary to enable CLIENT to fulfil its obligations, including the full name, date of birth, National Insurance number and tax code of the relevant Supplier Personnel. The Supplier warrants and undertakes that, so far as it is aware, all such information is complete and accurate.

9.8 CLIENT may use HMRC's Check Employment Status for Tax (CEST) Service (or such other HMRC approved employment status checker from time-to-time in operation) and/or any other tool it reasonably considers appropriate to determine the Supplier Personnel's employment status in accordance with applicable laws.

9.9 CLIENT may inform the Supplier of the Supplier Personnel's initial status determination and any subsequent determination from time to time and, where requested, make available to the Supplier a copy of such determination. CLIENT shall allow not less than 10 Working Days (or such other period as is prescribed by any laws for the Supplier to challenge the determination failing which the Supplier and relevant Supplier Personnel shall be deemed to have accepted the determination.

9.10 In the event that CLIENT determines that the engagement of Supplier Personnel is within the scope of IR35, the Supplier shall ensure (and shall procure that):

(a) the Fee Payer must be registered for United Kingdom taxation purpose with the United Kingdom taxation authorities.

(b) the Fee Payer operates PAYE and makes deduction for employee National Insurance Contributions in accordance with any applicable laws before making any payments to such Supplier Personnel; and

(c) the Supplier provides CLIENT with any supporting documentation reasonably required to evidence that the Supplier has complied with this Section.

9.11 In the event that CLIENT determines that the engagement of any Supplier Personnel is outside the scope of IR35, the Supplier shall ensure that the status of such Supplier Personnel does not change including where the Supplier Personnel is not an employee of the Supplier:

(a) ensuring the Supplier Personnel is subject to no contractual obligation within the contract between the Supplier Personnel (or their intermediary) and the Supplier to provide or accept any particular levels of work from CLIENT;

(b) ensuring a right of substitution is included within the contract between the Supplier Personnel (or their intermediary) and the Supplier;

(c) ensuring that wherever possible:

(i) the Supplier Personnel or their intermediary is not subject to defined hours and/or place of work save where specifically agreed with CLIENT prior to the assessment by CLIENT as to whether or not the engagement of the relevant Supplier Personnel under this Statement of Work falls within the scope of IR35; and

(ii) the contract between the Supplier Personnel (or their intermediary) is structured by reference to completion of a project or piece of work, rather than by duration; and

in the event that any circumstances change that may impact whether any Supplier Personnel who is outside the scope of IR35 becomes within the scope of IR35, immediately notify CLIENT in writing and provide details of such circumstance change.

9.12 For the avoidance of doubt, the engagement of Supplier Personnel will not be considered within the scope of IR35 for the purposes of this Section if such Supplier Personnel would not be chargeable to tax in respect of any deemed direct payment by virtue of section 61R(4) of the Income Tax (Earnings and Pensions) Act 2003.

9.13 Any classification of the Supplier Personnel for tax purposes does not confer any employment rights upon the Supplier Personnel and CLIENT shall assume no responsibility for payment of any other employment related payments or benefits.

9.14 The Supplier shall be fully responsible for and shall indemnify CLIENT against:

(a) any liability arising from any liability, claim or demand from or in respect of the Supplier Personnel against CLIENT;

(b) any liability, claim or demand for income tax and national insurance or similar, including any interest, penalties or costs incurred in connection with the same, which may be levied, demanded or assessed on CLIENT by HM Revenue & Customs or any other statutory authority in any jurisdiction in respect of the Services or the arrangement contemplated by this Statement of Work;

(c) any loss suffered as a result of any sums or Charges paid to the Supplier in respect of VAT not having been properly charged;

(d) any breach of the warranty; and

(e) any legal fees or other costs (on a solicitor-client basis) incurred by CLIENT in enforcing this indemnity or defending any claim envisaged by this Section.

9.15 The Supplier warrants that it is not nor will it, prior to the cessation of this Statement of Work, become a managed service company, within the meaning of section 61B of the Income Tax (Earnings and Pensions) Act 2003. The Supplier shall not allow any other company, organisation or person to be involved with the Supplier for the purposes of section 61B of the Income Tax (Earnings and Pensions) Act 2003 by either:

(a) benefiting financially on an ongoing basis from the provision of the Services;

(b) influencing or controlling the provision of the Services;

(c) influencing or controlling the finances or activities of the Supplier or the way payments are made to the Supplier Personnel; or

(d) carrying out other activities which might reasonably be considered as involvement with the Supplier for the purpose of section 61B of the Income Tax (Earnings and Pensions) Act 2003.