



PHILIP MORRIS INTERNATIONAL

AMENDED AND RESTATED MASTER SERVICE AGREEMENT

BETWEEN

1) PHILIP MORRIS PRODUCTS SA

AND

2) NB VENTURES, INC. D/B/A GEP

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THIS AGREEMENT is effective as of the Effective Date

BETWEEN:

1. **Philip Morris Products SA**, of Avenue de Rhodanie 50, 1007 Lausanne, Switzerland (the "**Customer**"); and
2. **NB Ventures, Inc. d/b/a GEP**, of 100 Walnut Avenue, Suite 304, Clark, New Jersey 07066 (the "**Supplier**").

each a "**Party**", together referred to as the "**Parties**".

BACKGROUND:

- A. Pursuant to and governed by the Master Service Agreement entered into between the Parties with an effective date of March 28, 2022 (the "**Original Agreement**") the Supplier manages the delivery and support of the Customer's Source to Contract ("**S2C**") operations in certain APAC territories in the areas of Indirect Materials Spend ("**IMS**"), Technical Procurement ("**TP**") together with support, data, reporting & analytics.
- B. The objectives of the outsourcing under the Original Agreement included:
 - 1) **Productivity** against its existing cost of services;
 - 2) **Continuous productivity improvements** year-over-year towards a more efficient service enabled through process improvement and automation, aligned with Customer savings targets;
 - 3) **Legal Compliance** with all laws and regulations across all in-scope geographies (such as privacy and data protection);
 - 4) **Operational efficiency**: Achieve efficiencies in areas such as Rfx execution, processing of contracts and all other activities within the scope of this Agreement;
 - 5) **Standardization**: Consistency of processes and service provision across regions, markets and individuals for seamless user experience;
 - 6) **Contribution**: Financial predictability, cost savings and cost avoidance year on year according to contribution guidelines as agreed with Customer;
 - 7) **Customer Satisfaction**: Ensure that service levels satisfy the expectations of internal customers in terms of responsiveness, customer orientation, technical skills and multilingual capabilities;
 - 8) **Category Expertise**: Provide expert support for internal stakeholders by not simply tendering suppliers but by providing insights on trends and best practices in order to achieve performance targets and setup internal stakeholders for success;
 - 9) **Operational Stability**: Resource availability, language availability, service provider project management & governance, IT support during deployment of updates and patches;
 - 10) **Service continuity**: Transition process to the selected service provider with no impact to the operation in Customer;

- 11) **Service improvement:** Improve efficiency and effectiveness leveraging the skills & capabilities of resources at a global level (i.e.: simplification, automation, innovation and new technologies);
 - 12) **Governance:** Solid structure and process in frames of Global Procurement Operations Strategy to ensure cost efficiency, high service levels & scalability, client interface, compliance to PMI policies and procedures and innovation;
 - 13) **Business Continuity Planning (BCP):** Ensure in-scope business processes continue without disruption at the time of disaster or emergency.
- C. The Supplier has, and where appropriate its Subcontractors have, the experience, breadth and depth of resources and skills to provide the Services including sufficient global reach to deliver the Services world-wide.
- D. The Parties entered into the Original Agreement to govern the way in which the Supplier managed and delivered the original services under the Original Agreement in certain APAC territories.
- E. A Local Services Agreement was entered into between PT Philip Morris Sampoerna International Service Center and Pt Gep Asiapac Indonesia with an effective date of 1 April 2023 (“the **First Local Agreement**”) pursuant to Clause 8 and Schedule 19 of the Original Agreement.
- F. The Parties have agreed to amend and restate the Original Agreement on the terms set out in this agreement with an amendment effective date of February 4 2025 (“**the Amendment Effective Date**”) with the intention to:-
- 1) Extend the Services to the additional Regions set out in Schedule 2 of this Agreement;
 - 2) Revise certain provisions of the Original Agreement including the billing mechanism; and
 - 3) Amend the provisions relating to Local Agreements in the Original Agreement such that the application of Local Agreements is optional for example where billing arrangements need to be established at a Regional or territory level.
- G. References to ‘the Agreement’ in this document will mean i) the Original Agreement until 23.59 on the day immediately prior to the Amendment Effective Date and ii) the terms and conditions of this Amended and Restated Agreement as set out herein from 00.01 on the Amendment Effective Date.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement, unless the context requires otherwise, the terms defined in **Schedule 1** (Definitions) have the meanings ascribed to them in that Schedule.
- 1.2 In the event of any conflict between or ambiguity within the provisions of these Terms and Conditions, the Schedules, the Appendices, and other documents, the conflict shall be resolved, or the ambiguity interpreted, as the case may be, in accordance with the following order of precedence:
 - 1.2.1 first the Terms and Conditions and **Schedule 1** (Definitions);

- 1.2.2 second the remaining Schedules;
 - 1.2.3 third the Appendices; and
 - 1.2.4 finally, any other document agreed by the Parties.
- 1.3 Unless the context otherwise requires:
 - 1.3.1 references to any statute or statutory provision include a reference to that statute or statutory provision as from time to time amended, extended, re-enacted or consolidated and to all statutory instruments made pursuant to it;
 - 1.3.2 words denoting the singular shall include the plural and vice versa and words denoting a gender shall include all genders;
 - 1.3.3 words denoting persons shall include firms and corporations and vice versa;
 - 1.3.4 references to persons include their successors and permitted assignees or transferees and
 - 1.3.5 the terms "**Section**" and "**Schedule**" refer to Sections of, and Schedules to, the Terms and Conditions, the term "paragraph" refers to a paragraph of a Schedule, the term "**Appendix**" refers to an Appendix to a Schedule.

- 1.4 The words "in particular", "for example", "include" and "including" shall not be construed as terms of limitation.
- 1.5 The words "day", "month" and "year" mean "calendar day", "calendar month" and "calendar year" respectively unless otherwise stated. For the purpose of service of a Notice, days shall be calculated by reference to the time zone of the intended recipient of the Notice.
- 1.6 The words "writing" and "written" mean "in documented form", whether electronic or hard copy, unless otherwise stated.
- 1.7 A reference to termination of this Agreement is to be taken as a reference to termination of the Agreement in whole or in part.
- 1.8 The headings, use of bold type and any worked examples provided in this Agreement are for convenience only and shall not affect the interpretation of any provision of this Agreement.
- 1.9 References to this Agreement or any other document shall include any permitted variation, amendment or supplement to such document.

2. GENERAL OBLIGATIONS AND STRUCTURE OF AGREEMENT

2.1 General Obligations

- 2.1.1 The Customer shall be responsible for the performance of its obligations under this Agreement, and shall be liable for the acts and omissions of its employees, agents and subcontractors and responsible for co-ordinating the activities of the Service Recipients and other Associated Customer Companies in connection with this Agreement.
- 2.1.2 The Supplier shall be responsible for the performance of its obligations under this Agreement and shall be liable for the acts and omissions of its employees, agents and Subcontractors (whether or not a particular sub-contracting arrangement may be permitted or may have been approved under the terms of this Agreement).
- 2.1.3 From time to time during the Term, any member of the Customer Group may agree that any member of the Supplier Group shall provide Additional Services to such member of the Customer Group pursuant to a Project Agreement, as further described in Section 9 and Schedule 20.
- 2.1.4 It is anticipated that all Services will be provided under and pursuant to this Agreement, unless agreed to be provided under a Local Agreement, as further described in Schedule 19.

3. TERM

- 3.1 This Agreement shall commence on the Effective Date and, subject to earlier termination in accordance with its terms, shall continue for three years from the Transition Start Date (the "**Initial Term**").
- 3.2 The Customer may extend this Agreement beyond the Initial Term for a period determined by Customer totalling not more than three (3) years (the "**Renewal Term**") by serving Notice on the Supplier to be served no later than two (2) months prior to the expiry of the Initial Term and the term of this Agreement shall automatically be deemed to be so extended on the terms and conditions which applied immediately prior to the expiry of the Initial Term.
- 3.3 The Parties expressly acknowledge and agree that:-
- 3.3.1 in some Customer Countries, the local implementation of this Agreement may require a Consultation;
 - 3.3.2 in such cases, the Agreement cannot be implemented in any such Customer Country prior to completion of the Consultation in accordance with local law and, depending on the outcome of the Consultation, the Customer will be entitled to determine in its sole discretion to not implement the Agreement in the relevant Country;
 - 3.3.3 the decision to not implement the Agreement in any particular Customer Country shall not jeopardize or impact the validity of this Agreement and/or the decision to implement the Agreement in any other Customer Country.

4. DUE DILIGENCE

- 4.1 The Customer has delivered or made available to the Supplier certain information and documents relating to the Customer Group and the Customer Systems.
- 4.2 Whilst the Supplier may have referred to such information disclosed to or made available to it in the course of due diligence in connection with the RFP or this Agreement or as part of the discussions relating to this Agreement, the Supplier agrees that it has not relied on that information and that no warranty or undertaking is given by the Customer or any Service Recipient as to the accuracy, completeness, adequacy or fitness for purpose of that information or that the information constitutes all of the information relevant or material to the Services. The Supplier acknowledges and agrees that it has been given the opportunity to make its own enquiries to gather the information it requires and that it has relied on those enquiries and its own experience and expertise in deciding to enter into this Agreement on the terms set out herein and, in particular, the terms relate to the scope and pricing the Services. The Supplier will not be relieved of any of its obligations under this Agreement and will have no right to seek to change the Agreement (in particular, as regards the Charges) if any information disclosed or made available by the Customer proves to be inaccurate or incomplete and the Supplier accepts and agrees that all liability on the part of the Customer in connection with:

- 4.2.1 any information, documents or data provided to or made available to the Supplier; and
 - 4.2.2 any representations or statements made by the Customer Group,
is hereby excluded.
- 4.3 Nothing contained in this Section will restrict the liability of the Customer with respect to:
 - 4.3.1 any fraud or fraudulent misrepresentation by the Customer or its agents; or
 - 4.3.2 any liability which may not be excluded or limited in accordance with Applicable Law.
- 4.4 The Supplier acknowledges and agrees that there shall not be any due diligence or post-contract verification after the Effective Date, unless agreed otherwise in writing by the Customer.

5. TRANSITION AND TRANSFORMATION ARRANGEMENTS

- 5.1 The Supplier shall provide the initial Transition Services as described in Schedule 6 (Transition) and the Transition Plan, during the Transition Period.
- 5.2 The Supplier shall provide the ongoing Transformation Services as described in Schedule 7 (Transformation) during the Term.

6. TRANSFER OF EMPLOYEES

- 6.1 While the Parties do not believe that any ARD/TUPE or equivalent transfer regulations affecting employees (“transfer regulations”) will be triggered by the implementation of this Agreement in any Customer Country, if transfer regulations are triggered, then the Customer and the Supplier will abide by any applicable transfer regulations, and to the PMI Principles set out in Schedule 22 (PMI Principles on Transfer of Employees in Outsourcing Projects).

7. SERVICES, SERVICE LEVELS AND SERVICE STANDARDS

- 7.1 Provision of the Services
 - 7.1.1 Unless stated in this Agreement to the contrary in relation to specific Services, the Supplier acknowledges and agrees that all rights granted to the Customer under this Agreement are for the benefit of the Customer and for the additional purpose of conferring the same benefit on each of its Service Recipients.
 - 7.1.2 The Supplier shall provide the Services in each Customer Country to all Service Recipients. The Supplier shall do this in accordance with the terms of this Agreement.
 - 7.1.3 This Agreement does not give any exclusive right to the Supplier to provide any Services to the Service Recipients and nothing in this Agreement shall be construed as an obligation on the Customer or any Service Recipient:

- (a) to obtain services or goods within the scope of the Services from the Supplier alone whether generally or in any Customer Country; or
- (b) to obtain a particular volume of Services (in aggregate or in relation to any Local Agreement) from the Supplier.

7.1.4 In providing the Services, the Supplier shall take all steps necessary to avoid or minimise any disruption to the Service Recipients' business operations.

7.1.5 The Supplier shall supply the Services from such of the Supplier Premises as are Designated Supplier Premises. The Supplier shall not supply the Services (or permit the same to be supplied) from any location other than the Designated Supplier Premises without the Customer's prior written consent. Supplier Personnel are not permitted to work outside of Designated Supplier Premises for any purpose without Customer's consent (not to be unreasonably withheld) or where remote working is required by locally applicable law or regulation. Supplier shall procure that all Supplier Personnel working remotely shall comply in all respects with Supplier's corporate Code of Conduct and all other provisions in this Agreement (including confidentiality and security). The Supplier shall supply all necessary hardware, software, assets, resources and personnel necessary to provide the Services. The Supplier shall as a minimum provide the technology as set out or referred to in **Schedule 12** (Technology). Such technology shall be without any additional charge, cost or expense except as set out in Schedule 4 (Charges).

7.2 Service Levels and Service Credits

7.2.1 On and from the Effective Date, the Supplier shall perform the Services in accordance with this Agreement and so as to comply with the applicable Service Levels.

7.2.2 If any of the Services does not meet an applicable Service Level at any time after the Effective Date then the Supplier will promptly (and in any event within 10 Business Days) investigate and report on the failure and:

- (a) initiate problem resolution and root cause analysis of any issue that has contributed to the Service not achieving the Service Level;
- (b) apply all resources necessary to correct the failure and the contributory issues;
- (c) where relevant, make written recommendations to the Customer for improvement in procedures related to the Services;
- (d) take all steps necessary to minimise or prevent recurrences of missed Service Levels; and
- (e) present at the next Monthly Service Committee meeting an explanation of the progress made in respect of the matters referred to above.

For the purposes of making the above reports, the Supplier shall use such form of report as the Customer may reasonably require. As of the Effective Date, the Customer requires (until further notice) the Supplier to use the Form of Incident Report for the purposes of reporting failures to meet the Service Levels.

7.2.3 In the event of any of the Services not meeting a Service Level at any time the Customer may, (without prejudice to its other rights and remedies), invoke the principles set out in **Schedule 3** (Service Levels and Service Credits).

7.2.4 The Supplier is committed to the process of continued service quality monitoring, described in **Schedule 2** (Services).

7.3 Customer Policies and Service Standards

7.3.1 The Supplier shall perform its obligations under this Agreement (and shall, in particular, provide the Services) in accordance and compliance with the Customer Policies.

7.3.2 In the event of any conflict between any of the Customer Policies or between a Customer Policy and the remainder of this Agreement (including **Schedule 13** (Security)), the Supplier shall draw such conflict to the attention of the Customer and shall comply with the Customer's determination as to the manner in which such conflict is to be resolved.

7.3.3 The Supplier shall ensure that the Supplier Personnel are aware of and understand the applicable Customer Policies. The Customer shall provide reasonable assistance in clarifying the meaning or effect of its policies at the request of the Supplier.

7.3.4 If the Customer notifies the Supplier, or the Supplier discovers or has any reason to suspect, that any member of the Supplier Personnel is in breach of, or is likely to breach, any applicable Customer Policy in any respect, the Supplier shall:

(a) notify the Customer as soon as practicable; and

(b) without unreasonable delay, take all lawful steps within its control, and in consultation with the Customer, to investigate and remedy or prevent such breach as the Customer may reasonably require.

7.3.5 The Supplier shall provide the Services in accordance with the following standards:

(a) Good Industry Practice; and

(b) the Supplier's internal quality assurance processes.

7.3.6 In the event of any conflict between any of the standards referred to in Section 7.3.5, the Supplier shall bring such conflict to the attention of the Customer and shall resolve the conflict in such manner as the Customer shall direct.

7.4 Security, IT Security, Health and Safety

7.4.1 The Supplier shall comply with **Schedule 13** (Security) in the performance of its obligations under this Agreement without further charge.

7.4.2 The Supplier shall also comply with the Service Recipients' IS security standards and policies in force from time to time at each location and/or in each country of which a Service Recipient makes the Supplier aware insofar as the same apply to the provision of the Services. The Parties shall discuss the amendment or update to any relevant IS standards and policies in the Monthly Service Committee meeting and follow the process described in Section 3.1 to reach agreement on the timing of implementation of the amendment or update provided that the basis for the agreement (in default of agreement of the Customer to the contrary) shall be that the Supplier shall comply with any changes to such IS security standards and policies within two weeks (or such other period as may be agreed by the Parties) after the Supplier has received notification of such policy change.

7.4.3 If an Supplier Personnel attend any Service Recipient Premises, the Supplier shall, in relation to all aspects of health and safety and of the environmental management of the Service Recipients' premises, comply with (as applicable) the Service Recipient's health and safety and environmental management policies in force from time to time at such Service Recipient Premises.

7.4.4 Without prejudice to the Suppliers obligations under Schedule 8 or Schedule 13, if, during the course of delivering the Services, the Supplier becomes aware of an attempt (whether successful or not) by unauthorised persons (including unauthorised persons who are employees of any Party) either to gain access to or interfere with data, facilities or Confidential Information of any Service Recipient then the Supplier shall report such attempt forthwith in writing to the Customer.

7.4.5 The Supplier shall (and shall ensure that relevant Supplier Personnel shall) upon reasonable request by a Service Recipient participate in regular meetings when health, safety, IT security and environmental matters are reviewed.

7.5 IS Continuity, ISO Disaster Recovery and Business Continuity shall be as described in this Agreement and provisions of Schedule 16 (Business Continuity).

8. LOCAL AGREEMENTS

8.1 The First Local Agreement will continue in accordance with its terms notwithstanding the coming in to effect of the changes under this Amended and Restated Agreement.

8.2 To the extent that the Parties determine that any Services will be provided pursuant to a Local Services Agreement, the Parties shall comply with the provisions of Schedule 19 (Local Agreements).

9. PROJECT AGREEMENTS

- 9.1 The Customer or members of the Customer Group may order ad hoc Additional Services from time to time from Supplier or members of the Supplier Group by entering into a Project Agreement following the process set out in Schedule 20 (Project Agreements).
- 9.2 This Agreement sets out the process, but the Project Agreements are separate contracts (incorporating certain terms of this Agreement).
- 9.3 The Customer (on behalf of the Customer Group) and the Supplier (on behalf of the Supplier Group), will procure that the provisions in Schedule 20 are complied with when agreeing Project Agreements.

10. SUPPLIER PERSONNEL AND THIRD PARTIES

10.1 Supplier Personnel

- 10.1.1 At no time shall the Customer be deemed to be the employer of any of the Supplier Personnel, nor shall any such persons be eligible to participate in any benefit plan or program offered by the Customer. Except as set out in this Section, nothing in this Agreement shall limit the ability of the Supplier to freely assign or reassign its employees.

10.1.2 In respect of Key Personnel:

- (a) the Supplier shall not redeploy any member of the Key Personnel from the position within the Services identified in respect of that member in Schedule 21 or significantly reduce his or her involvement within the Services for the period stated in the Schedule 21 without the prior written consent of the Customer, unless a member of such Key Personnel:
 - (i) resigns from employment;
 - (ii) is lawfully dismissed by his or her employer;
 - (iii) is unable to work owing to mental or physical incapacity or personal hardship; or
 - (iv) dies.
- (b) in the event of an agreed redeployment or reduced involvement made for a reason set out in Section 10.1.1(a), the Supplier shall propose a replacement to the Customer and supply to the Customer the curriculum vitae of such proposed replacement who shall have status, skills and experience commensurate with the requirements of the post to be filled, and consult with the Customer on the replacement. The Customer shall have the right to exchange with that proposed replacement and make representations in respect of that proposal to which the Supplier shall give due consideration;
- (c) in the event of an agreed redeployment, reduced involvement or resignation of a member of Key Personnel, the Supplier shall ensure that the member of Key Personnel provides an appropriate knowledge transfer

to his or her replacement and the Supplier shall ensure that the replacement is not deployed in the provision of the Services until appropriately familiar with the requirements of this Agreement;

- (d) the Supplier shall ensure that, for each of the Key Personnel, they shall undertake the role that has been allocated to them (or in the case of a replacement, to their predecessor) in Schedule 21; and
- (e) the Supplier shall give reasonable consideration to recommendations made by the Customer in relation to the Supplier's retention and succession plan (provided that the Supplier Personnel in question otherwise fulfil the Supplier's mandatory criteria in respect of such matters).

10.1.3 The Supplier shall provide the Services through suitably qualified, experienced, fully trained and competent personnel having a skill level, and having successfully completed training courses, appropriate for the tasks assigned to them. Without limitation this shall include the Required Language Proficiency in the Required Language.

10.1.4 The Supplier shall at all times and within five (5) Business Days of the Customer's request, provide the Customer with:

- (a) an up to date organisation chart (organogram) of the Supplier Personnel engaged in the performance of the Services; and
- (b) a copy of the Supplier's current policy for the management and training of Supplier Personnel,

which shall be subject to the provisions of **Schedule 9** (Relationship Management and Governance).

10.1.5 The Supplier shall ensure that the manner in which it delivers the Services does not adversely affect the ability of the Customer to undertake its day to day business and shall procure that the Supplier Personnel perform the Services in such a way as to anticipate and minimise potential risks to personnel and facilities of Service Recipients.

10.1.6 The Supplier shall use all reasonable endeavours to engage and retain as Supplier Personnel only persons who are full time employees of the Supplier or, to the extent the Customer agrees in respect of specific tasks or events, are part-time employees or temporary workers of the Supplier.

10.1.7 If any member of the Supplier Personnel ceases to satisfy the requirements of Section 10.1.9, or is otherwise prevented or restricted from performing Services by reason of Applicable Law for any reason, the Supplier shall immediately remove or reassign such person and the Supplier shall instead provide Services through a replacement in accordance with this Agreement.

- 10.1.8 The Supplier will not engage Supplier Personnel who are aged under 18 years of age in the performance of the Services.
- 10.1.9 If the Customer considers that the performance of any of the Supplier Personnel providing Services is not in accordance with the terms of this Agreement, the Customer shall notify the Supplier of the relevant details, and the Parties shall cooperate to remedy the problem as soon as reasonably possible. If the Customer so requests, acting reasonably, the Supplier shall remove or reassign any such personnel and instead provide Services through replacement personnel in accordance with this Agreement.
- 10.1.10 The Supplier shall ensure that all personnel engaged in the provision of the Services have, prior to providing the Services, valid and current work and residence documents for the country (and canton or other area) in which they are to be employed or to provide Services. Upon the Customer's request, the Supplier shall provide the Customer with copies of such documents.
- 10.1.11 The Supplier shall ensure that all:
- (a) Supplier Personnel, prior to their commencing the relevant assignment;
 - (b) candidates for employment by the Supplier; and
 - (c) (insofar as they may be considered for assignments in which they would be Supplier Personnel) candidates for employment by Subcontractors, are subject to screening processes (which the Supplier shall give the Customer reasonable opportunity to comment on in advance) designed to establish the individual's identity and obtain, check and verify details of the individual's:
 - (d) character (including through character references) where the Customer requests in relation to specific grades of Supplier Personnel only;
 - (e) previous employment;
 - (f) qualifications;
 - (g) Required Language Proficiency in the Required Language;
 - (h) right to work in the country (and canton or other area) in which the relevant Supplier Personnel will perform services; and
 - (i) criminal record (if any) (for a minimum period of three years prior to the date such person is first engaged in the performance of the Services).

The Supplier shall perform such screening processes in accordance with Applicable Law and shall ensure that they are proportionate to the requirements of the proposed role. The Supplier shall provide written confirmation that any person or group of persons forming part of Supplier Personnel has effectively undergone a screening process in accordance with this Section 10.1.10 within 20 Business Days of the Customer's

request for such confirmation.

10.1.12 Upon the Customer's request, the Supplier shall provide the Customer with:

- (a) such professional- or business-related information as the Customer may request concerning Key Personnel who are providing Services or are proposed to provide Services;
- (b) adequate evidence that each of the Supplier Personnel has completed and passed all applicable training required by this Agreement;
- (c) adequate evidence that each of the Supplier Personnel has attained the Required Language Proficiency in the Required Language; and
- (d) a photograph of all Supplier Personnel in such form as the Customer shall specify for security purposes.

10.1.13 The Supplier shall maintain and develop the skills and skill sets of the Supplier Personnel by training, development, instruction and project experience. Except as specifically provided in this Agreement, the Supplier shall provide and maintain all such training and learning at its own cost.

10.1.14 The Supplier shall procure that it has the right (for example, by procuring the appropriate consents) to perform monitoring of the performance of the Services that the Supplier performs, including logging the movements and activities of Supplier Personnel at Service Recipient Locations and any other Personal Data which the Supplier records in the books and records that it is required to maintain in accordance with Section 37.

10.1.15 The Supplier understands that:

- (a) certain areas of Service Recipient Locations (for example: laboratories, or research areas, offices of senior executives) will contain Confidential Information of the Customer or have access restrictions ("**Designated Areas**"); and
- (b) the Customer may require the Supplier Personnel to be accompanied when accessing such Designated Areas.

The Supplier shall procure that all Supplier Personnel observe and comply with such access restrictions and that if the Customer requires the Supplier Personnel to be accompanied by the Customer or one of the Customer's security personnel (including any Supplier of the Customer), the Supplier may not permit Supplier Personnel to access any Designated Areas unless Supplier Personnel are so accompanied.

10.1.16 Where the Supplier's performance of the Services means that Supplier Personnel will or are likely to provide Services in designated indoor smoking areas at Service Recipient Locations or any other indoor locations where Customer personnel or visitors are permitted to smoke (together "**Permitted Smoking Areas**"), the Supplier shall ensure that before any relevant Supplier Personnel

provide services in any Permitted Smoking Areas it obtains any necessary consents from Supplier Personnel to provide Services in such areas, to the extent that any such consents are required by Applicable Law.

- 10.1.17 The Supplier recognises and agrees that, due to the nature of the Services, the Customer expects that the Supplier will perform the Services in accordance with the spirit of the Agreement as well as the specific provisions of this Agreement. As such the Customer expects that the Supplier will be proactive in suggesting continuous improvements to the Services at all relevant times. The Supplier shall use reasonable efforts to retain a core of people amongst the Supplier Personnel to develop and preserve the Supplier's knowledge of the Customer's systems, premises and facilities to the extent relevant to the Services, and shall use this knowledge with the aim of increasing security and the effectiveness of the Services. The Supplier shall be responsible for ensuring the continuity of effort of Supplier Personnel and shall schedule its use of resources in such a manner as to minimise the impact on the Services of illnesses, holidays and other absences among the Supplier Personnel. The Supplier shall give the Customer such details of its resource planning as the Customer shall reasonably request from time to time.
- 10.1.18 The Supplier shall maintain the continuity of the Supplier Personnel for the duration of the Services including (without prejudice to the additional provisions that apply to Key Personnel) using all commercially reasonable efforts to minimise any changes to the Supplier Personnel who provide the Services. In any event Supplier shall ensure that in any calendar year no more than 30% of the Supplier Personnel who provide the Services are removed (in whole or in part (i.e. the time they dedicate to the Services is reduced)) from the Services for any reason within Supplier's control. Exceptions to this shall include illness or death of Supplier Personnel. The Supplier shall ensure that at least 30% of the Supplier Personnel have a minimum of 2 years' experience which is directly relevant to the Services. Supplier shall report attrition statistics as part of monthly governance.
- 10.1.19 The Supplier shall have valid and enforceable agreements with all Supplier Personnel which contain obligations comparable in scope to those in Section 22 (Confidentiality).
- 10.1.20 The Supplier undertakes not to unlawfully discriminate within the meaning and scope of any law, enactment, order regulation or other instrument relating to discrimination (whether in relation to race, gender, religion, age or otherwise) in employment and will take all reasonable steps to ensure the observance of this Section 10.1.21 by all Supplier Personnel and Subcontractors.
- 10.1.21 Supplier Personnel shall use email addresses linked to Supplier, and not Customer unless otherwise required by Customer (and in such case Supplier shall use such email address as required by Customer).

10.2 Co-operation with Third Party Suppliers

10.2.1 The Supplier shall co-operate fully with all relevant Third Party Suppliers and shall (subject to the consent and authorisation of the Customer, where appropriate):

- (a) provide such access as such Third Party Suppliers shall reasonably require (on such notice as is reasonable in the circumstances and subject to such reasonable conditions as to confidentiality and security as the Supplier may propose) to:
 - (i) the Documentation and the Supplier IPR;
 - (ii) the Supplier Premises;
 - (iii) the Supplier Personnel; and
 - (iv) the Customer Systems (so far as within the Supplier's control) and the Supplier Systems;
- (b) co-ordinate its efforts with such Third Party Suppliers to ensure that work, materials and services provided by the Third Party Suppliers are efficiently and effectively integrated into and/or with the provision of the Services (and conversely that the Services are so integrated with those of the Third Party Suppliers);
- (c) attend any meetings with the Third Party Suppliers called by the Customer; and
- (d) where problems or faults relating to the Services are caused or contributed to by circumstances from time to time subsisting on any such Third Party Supplier's side of the interface with the Services, manage the resolution or prevention of such problems or faults either by taking corrective or preventive steps in relation to the provision of the Services or (to the extent reasonably possible) by procuring the taking of corrective or preventative steps by the relevant Third Party Supplier.

11. GENERAL SUPPLIER OBLIGATIONS

11.1 Handbooks

11.1.1 The Supplier shall produce the SOPs and update the same in accordance with its obligations as set out in Schedule 2 and Schedule 6.

11.2 Encryption and Decryption

11.2.1 If any court, governmental authority or any official, function or emanation of any government including enforcement agencies such as the police (each a "**Security Agency**"), requests or requires the decryption, whether by use of a decryption key or otherwise, of any Customer Systems Data which is, under any Applicable Law, made available to a Service Recipient in encrypted form or encrypted by

the Supplier (a "**Decryption Notice**"), the Supplier shall:

- (a) promptly notify the Customer by the most expedient means possible, including providing a copy of the Decryption Notice and any accompanying papers; and
- (b) at the Customer's request and cost:
 - (i) take all reasonable and lawful available steps to resist the effect of the Decryption Notice and to prevent the Customer Systems Data from being revealed;
 - (ii) provide all reasonable assistance to the Customer for the purpose of responding to, challenging or complying with the Decryption Notice; and
 - (iii) keep the Customer fully informed of any assistance provided to the Security Agency.

11.2.2 If the Customer requires the Supplier to encrypt Customer Systems Data as part of the Services, and the Customer is unable to obtain or maintain any licence or approval required for this purpose, at the Customer's cost the Supplier shall obtain and maintain any licences and approvals it may require for that purpose, including any digital signature certificate (or similar authentication record) where available.

11.2.3 If the Customer requires the Supplier to encrypt Customer Systems Data pursuant to Section 11.2.2, or the Supplier otherwise applies encryption techniques to Customer Systems Data, the Supplier shall notify the Customer in advance if the Supplier is required to deposit the encryption key (or equivalent device or code) with any Security Agency, including details of the request, and at the request and cost of the Customer, provide all reasonable assistance to the Customer in responding to or challenging such requirement.

12. CUSTOMER DEPENDENCIES

12.1 The performance of certain Supplier obligations is contingent on the performance by Customer of certain activities expressly stated in:

12.1.1 Paragraph 9.2 of Schedule 6 (Transition) in relation to Transition

12.1.2 Section 12.3 in relation to the Services more generally,
each such activity being a "**Dependency**".

12.2 No dependency or responsibility upon the Customer included elsewhere in this Agreement shall be valid or constitute a Dependency for the purpose of this Agreement or be relied upon by the Supplier to support a claim for relief under Section 13 (Relief Events).

12.3 Access to Information and Staff

12.3.1 To the extent reasonably required to enable the Supplier to perform the Services and to the extent the Customer is legally able to do so, the Customer shall, within the time agreed or otherwise within a reasonable time following the Supplier's request (and subject to Section 22):

- (a) provide the Supplier with all reasonable information, and documents within the possession or control of the Customer that the Supplier may request in respect of Services;
- (b) provide Supplier with timely decisions and approvals / rejections (as applicable) when requested by Supplier; and
- (c) provide the Supplier with access to the personnel of the Service Recipients.

12.3.2 A Supplier request for information or documents under Section 12.3.1(a) shall include identification of the type of information, relevant dates and any other details reasonably required by the Customer to assist it in identifying and providing the information or documents requested.

12.4 Save as is set out as a Dependency, the Supplier shall ensure that it provides and maintains all information, rights, permissions, consents, technology, facilities, premises, management, staff, expertise, equipment and other resources necessary to enable it to provide and perform the relevant Services and to fulfil its obligations under this Agreement.

13. Relief Events

13.1 On the occurrence of any Relief Event:

13.1.1 Service Credits shall not accrue and the Customer shall not be entitled to any other remedies in relation to any failure of the Supplier to provide any part of the Services (the "**Affected Services**") strictly in accordance with the terms of this Agreement but only if and to the extent that:

- (a) the Relief Event does not result from any Supplier Default;
- (b) the Relief Event
 - (i) materially prevents the Supplier from providing the Affected Services in accordance with this Agreement; and/or
 - (ii) would cause the Supplier to incur material additional costs in order to provide the Affected Services in accordance with its obligations under this Agreement (and, in this second case, the Supplier has given notice of such material additional costs to the Customer and has been unable to reach an agreement with the Customer as to their treatment);
- (c) the Supplier:

- (i) has used, and continues to use, Commercially Reasonable Efforts to provide the Affected Services to the best level reasonably attainable in the circumstances; and
 - (ii) provides all Services other than the Affected Services in accordance with its obligations under this Agreement; and
 - (d) as soon as practical after the first date on which the Supplier knew, or ought reasonably to have known, that the Relief Event was likely to occur, or had occurred (whichever is the earliest), it gave the Customer Notice of such likelihood or occurrence and its potential impact on the Supplier's ability to provide the Services; and
- 13.1.2 the relief accorded by Section 13.1.1 shall no longer apply from the date on which the Relief Event has been remedied or any of the conditions of relief set out in Section 13.1.1 ceases to be fulfilled in respect of the Affected Services.
- 13.2 The Charges shall continue to be payable by the Customer notwithstanding the occurrence of a Relief Event and notwithstanding that a Supplier is granted relief pursuant to this Section 13.
- 13.3 Where the Relief Event results in delay to the Supplier's provision of the Services then, subject to the conditions on granting relief contained in Sections 13.1.1 and 13.1.2, the Customer shall make an equitable adjustment to the date or dates in any time schedule (for example in a Transition Plan) or, if the Supplier incurs additional costs to avoid or mitigate the effects of the Relief Event, the Customer will make an equitable adjustments to the Charges (or a combination of the two as appropriate). The basis for determining the equitable adjustment to the Charges for the purposes of this Section shall be the Supplier's increased costs (but not lost profit) that the Supplier reasonably incurs as a result of the delay. In furtherance of this:
- 13.3.1 where such costs comprise time of personnel, the costs shall be the cost to the Supplier of employing the relevant personnel; and
 - 13.3.2 where such costs comprise expenses for travelling, accommodation or subsistence the Parties shall, for the purposes of determining such adjustment to the Charges, apply the principles that would apply to similar expenses that are recoverable under this Agreement or, if expenses are not recoverable under this Agreement, in accordance with the Supplier Expenses Policy.
- 13.4 For the avoidance of doubt, subject to the Customer complying with its obligations under this Section 13, if a Relief Event occurs for which the Supplier is granted relief under either or both of Sections 13.1 and 13.3 (or, for which relief is available to be granted and is not being withheld by the Customer in breach of this Section 13) such relief or available relief shall be the sole and exclusive remedy in relation to the Relief Event and the Supplier shall have no right to claim damages or rescind or terminate this Agreement arising from, or in

any way connected to, the Relief Event or the breach, failure, event or omission which gave rise to the Relief Event.

14. Charges

14.1 In consideration of the Services and subject to the provisions of this Agreement, the provisions of Schedule 4 (Charges) shall apply in relation to the charging obligations of the Parties. The Charges shall not be varied except in accordance with **Schedule 4** (Charges), **Schedule 17** (Change Control), or **Schedule 18** (Benchmarking).

14.2 The Supplier shall prepare each invoice so that it complies with the Customer's requirements relating to invoicing including:

14.2.1 the invoice shall contain the relevant purchase order number issued by the Customer;

14.2.2 the invoice shall contain an accurate and complete description of the Services provided during the period covered by the relevant invoice, with such Services itemised as described in the Customer's purchase order;

14.2.3 the invoice shall separately identify the Charges for each part of the Services (and each Service Element) itemised on the invoice as provided for in **Schedule 4** (Charges);

14.2.4 the invoice shall be in such format (including any electronic format) and shall structure and position all applicable data to comply with the Customer's requirements, in order to enable the Customer's automated invoice processing; and

14.2.5 the Supplier shall address the invoice to the Customer (that is, it shall give the name of the Customer on the face of the invoice), but the Supplier shall send the invoice (that is, in the case of paper invoices, writing the name on the envelope that is to be posted) to such person and address as the Customer shall direct the Supplier (for example, to the Customer's supplier); and

14.2.6 those additional requirements set out in Schedule 4(Charges).

14.3 Except as otherwise provided for in this Agreement (in particular, in Schedule 4 (Charges)), or as agreed between the Parties in writing, no Service Recipient shall be required to make any payments in respect of the Services (or, without limitation to the foregoing, in respect of the Supplier's performance of any obligations under this Agreement) other than the Charges and the Sales Taxes. For the avoidance of doubt and except as specified in Schedule 4 (Charges), the Charges shall be deemed to include all ancillary and incidental costs and charges arising in the course of delivery of the Services and the performance of this Agreement, including administration costs, infrastructure costs, implementation and management charges, expenses (including travel expenses) and other similar costs and expenses.

15. INVOICING AND PAYMENT

The provisions of Schedule 4 (Charges) shall apply in respect of invoicing and payment of the Charges. The Parties shall comply with their respective obligations set out in that Schedule.

16. TAX

16.1 The Supplier shall co-operate reasonably with the Customer in pursuing any refund claims for taxes, including any related litigation or administrative proceedings.

16.2 The Supplier shall supply to the Customer tax and social security information related to the tax and social security obligations of the Customer and Service Recipients (including documentary information) in connection with its obligations described in this Agreement (in particular, in **Schedule 2** (Services)).

16.3 The Supplier shall retain all reasonably necessary tax information and documents as shall enable the Supplier to comply with its obligations under Sections 16.1 and 16.2, for such a period as may be required in the relevant jurisdiction in accordance with the Supplier's tax record retention requirements. In any event the Supplier shall retain records for a period of not less than six (6) years.

16.4 All Charges are exclusive of any value added taxes and other similar sales taxes on and as applicable to the Charges (referred to collectively and defined as "**Sales Taxes**"), and such Sales Taxes shall be payable by the Customer in addition to the Charges at the rate prescribed by law prevailing at the time of issue of each invoice. The Customer shall pay all such Sales Taxes properly invoiced in accordance with the remainder of this Section 16. Any Service Credits or other credits given to the Customer are also exclusive of any Sales Taxes where applicable. Each Party will be responsible for any personal property taxes on property it owns or leases, for franchise and privilege taxes on its business, and for taxes based on its net income or gross receipts, and for meeting all obligations in respect of employee withholdings, social security contributions and similar for its own employees.

16.5 The Supplier shall invoice the Customer for and collect applicable Sales Taxes from the Customer in the same manner as it generally collects Sales Taxes from its other customers in the ordinary course of its business and shall be solely responsible for remitting such Sales Taxes to the relevant taxing authority. The Supplier shall show Sales Taxes separately on its invoices in accordance with applicable accounting standards.

16.6 Unless otherwise stated in a Local Agreement, the Supplier shall be duly registered in each relevant country, relevant states and relevant localities for the purposes of Sales Taxes where such registration is required by law. The Supplier shall invoice, collect and remit all applicable Sales Taxes as imposed by such country, state or localities.

16.7 In the event that the purchase made by the Customer is an exempt sale-for-resale, the Supplier shall provide the Customer with the necessary details for the Customer to calculate the correct Sales Tax or use tax to be paid to the proper taxing authority on the

final taxable transaction. In this case, in the event that a mutual agreement of the division of charges cannot be reached, the Customer's reasonable determination shall be final.

- 16.8 Invoices issued by the Supplier for the supply of goods and Services will include Sales Tax, where applicable under the relevant local country or state law. In the event that such Sales Tax is disputed by the Customer or its agent, the dispute shall be referred initially to the relevant Parties' respective tax departments for resolution and, failing such resolution within 30 days of the referral, may be referred by either Party for resolution under the Dispute Resolution Procedure.
- 16.9 The Supplier shall indemnify the Customer in respect of any penalties and/or interest charges imposed upon the Customer by a competent tax authority to the extent that they arise out of the error or omission by the Supplier in relation to Sales Taxes, provided that the Customer notifies the Supplier within three months of such penalties and/or interest charges being brought to the attention of the Customer by the competent tax authority.
- 16.10 Except as provided above, the Supplier shall be deemed to have taken into account all taxes, levies or contributions in the calculation of amounts due under this Agreement so that except to the extent Sales Taxes and Withholding Taxes are payable pursuant to this Section, the Charges shall be inclusive of any tax liability, levy, duty or impost, including any form of contribution, custom and other import duties, surcharges, liability and charge in the nature of taxation and all related withholdings and deductions of any kind whenever and wherever payable.
- 16.11 "**Withholding Tax**", for the purpose of this Section 16, means any tax on the Supplier withheld at source pursuant to the law in the country of tax residence of the Customer (or relevant Service Recipient) on any sum payable by the Customer to the Supplier for the Charges.
- 16.12 The Customer shall deduct Withholding Tax, if and to the extent required by Applicable Law, on all amounts payable under this Agreement. It shall forward the relevant withholding or deducting certificate or certificates (i.e. receipts) as soon as reasonably practicable (and in any event within 90 days of the withholding or deduction of the relevant tax) to the Supplier in respect of such tax withheld or deducted so that the Supplier is then able to seek to recover by refund or credit against tax liabilities of the Supplier from any relevant taxing authority or Government authority the amount so withheld or deducted in accordance with the applicable law. In respect of the above, the following provisions shall also apply:
- 16.12.1 the Customer shall ensure that if a Service Recipient has an obligation to deduct Withholding Tax it shall notify the Supplier of this fact as soon as possible;
- 16.12.2 the Customer shall obtain the relevant withholding or deducting certificate or certificates in a form which the Supplier can utilise in order to enable it to recover or obtain credit from the relevant taxing or other Government authority for the amount so withheld or deducted;

- 16.12.3 if and to the extent that an exemption from withholding tax applies at source based on domestic or international tax law, then the Parties shall cooperate to seek to ensure that the Customer is not required to deduct any withholding tax on payments to the Supplier. The Supplier shall inform the Customer of all reasonable steps necessary for the formalities of the exemption to apply and the Customer shall take all such reasonable steps. The Supplier shall take all steps required to be taken by the Supplier for the formalities of the exemption to apply; and
- 16.12.4 if and to the extent a reduction of withholding tax applies at source based on domestic or international tax law, the Customer shall apply such reduction in respect of payments to the Supplier. The Supplier shall inform the Customer of all reasonable steps necessary for the formalities for the reduction to apply and the Customer shall take all such reasonable steps. The Supplier shall take all steps required to be taken by the Supplier for the formalities for the reduction to apply.
- 16.13 If the Customer is unable to provide a certificate satisfactory to the Supplier to obtain recovery of the tax withheld or the Supplier is otherwise unable to recover the tax withheld, then the Parties shall in good faith work together in order to achieve a solution which is acceptable to both Parties with respect to the recovery of such withheld or deducted tax. In this context, the Customer shall, in particular, procure that the relevant Service Recipient requests the relevant local tax authorities to allow for zero withholding at source. In the event that a solution is not acceptable to the Supplier, and as a consequence, the Supplier is unable to avail itself of tax credits related to withheld taxes, the Supplier will bear the risk of such lost tax credits.
- 16.14 If the Customer is required by a taxing authority to make payments of employee withholding taxes, social security contributions or similar amounts ("**Employee Taxes**"), or has reasonable cause to believe such Employee Taxes are due, in respect of any employee, independent contractor, Subcontractor or any other person (excepting employees of the Customer or other Service Recipient) utilised by the Supplier in the provision of the Services, the Customer shall make such payments of Employee Taxes to the taxing authority, and shall be entitled to retain from payments made to the Supplier an equal amount. Should the Customer make any such payment of Employee Taxes, the Supplier, at its sole cost, shall procure reimbursement of such amounts to the Customer. The Customer shall provide the Supplier with such reasonable assistance as the Supplier may require to achieve such reimbursement and on reimbursement of the Employee Taxes to the Customer, by the taxing authority or by or on behalf of the Supplier, the Customer will release to the Supplier, from the sums it retained in respect of its earlier payment, a sum equivalent to the reimbursement it has retained received. If the Supplier has not obtained reimbursement of the whole of any Employee Taxes paid by the Customer under this Section 16.14 by the third anniversary of their original payment, the Customer shall be entitled to apply any retention which it has not repaid to the Supplier in respect of the

same in permanent reduction of the Charges and the Supplier's entitlement to release or payment of the same shall be extinguished.

- 16.15 Save as otherwise provided in this Section 16, the Supplier shall be liable for all taxes which shall be properly and lawfully assessed or imposed on the Supplier by any competent authority in connection with the carrying out of the Services.

17. RELATIONSHIP MANAGEMENT AND GOVERNANCE

The review and management process for this Agreement shall be as set out in **Schedule 9** (Relationship Management and Governance).

18. BENCHMARKING

The Charges, Services and Service Levels shall be subject to Benchmarking in accordance with **Schedule 18** (Benchmarking).

19. CHANGE CONTROL

- 19.1 Unless expressly dealt with elsewhere in this Agreement, any Changes under or to this Agreement shall be dealt with in accordance with the Change Control Procedure.
- 19.2 All costs incurred by the Supplier in connection with the preparation, investigation and negotiation of Changes proposed by the Customer (whether such proposed Changes result in CCNs or not) shall be borne by the Supplier, unless expressly agreed otherwise in **Schedule 17** (Change Control) or the relevant CCN.
- 19.3 Where the Supplier achieves an improvement in Services or Service Levels in the course of providing the Services in an efficient manner, or by fulfilling obligations imposed by this Agreement, such improvement shall not be dealt with in accordance with the Change Control Procedure, but, at the request of the Customer (and at each Party's own cost), the Parties will enter into an amendment to this Agreement changing the Services or Services Levels in a manner which incorporates continuous achievement of the improvement into the Supplier's obligations without any increase in the Charges.

20. DIVESTMENTS

- 20.1 Where there is any divestment or re-organisation:

- 20.1.1 of a Service Recipient within the Customer Group through the sale of shares and as a result of which that company will cease to be a member of the Customer Group (a "**Divested Entity**"); or
- 20.1.2 of any part of the Customer Group through the sale of a business or part of a business as a result of which Services will be supplied to a company which will not be a member of the Customer Group (a "**New Entity**"),

then the Customer shall notify the Supplier of the divestment or reorganisation and shall in the Notice (an "**Election Notice**") elect:

- (a) to treat the Divested Entity or New Entity as a Service Recipient to whom, subject to Section 20.1.3, the Supplier shall continue to supply Services;
- (b) to require the Supplier to cease provision of the Services to the Divested Entity from the date notified in the election notice; or
- (c) to require the Supplier to offer to enter into an agreement with the Divested Entity or New Entity under which the Supplier shall supply to the Divested Entity or New Entity services which:
 - (i) in the case of a Divested Entity are equivalent to those supplied to that Divested Entity immediately before the divestment or as may otherwise be agreed between the Supplier and the Divested Entity; or
 - (ii) in the case of a New Entity are equivalent to those which were supplied to that New Entity's predecessor immediately before the reorganisation or sale in question or as may otherwise be agreed between the Supplier and the New Entity,

and with effect from the date on which such equivalent services are supplied to the Divested Entity or New Entity, the Supplier's obligations to provide Services to the Divested Entity or the New Entity (and the Customer's obligation to pay Charges for such Services) under this Agreement shall cease (but without prejudice to any claims or rights of action which arose prior to such cessation).

20.1.3 Where the Supplier is required to provide continued services under Section 20.1.2(a) or Section 20.1.2(c), such continued service provision shall be for the period stated in the Customer's Election Notice (up to a maximum of 36 months from the date of the Election Notice) and the Customer shall be entitled to terminate its requirement for continued service provision at any time on one month's notice to the Supplier.

20.1.4 Where the Customer serves an Election Notice pursuant to Section 20.1, the effect of the election would require adjustment to the Services, the Supplier shall prepare a CCN which shall set out the Supplier's proposals for adjusting the Services to reflect the amended service requirements and any associated work requested by the Customer.

20.2 Notwithstanding Section 20.1, the Supplier shall take all reasonable steps to mitigate the cost to the Supplier and the Customer of the proposed change and (if such is the case) the reduced requirement for the Services.

21. COMPLIANCE WITH APPLICABLE LAW, APPROVALS AND CONSENTS

21.1 Compliance with Applicable Law

21.1.1 The Supplier warrants and represents that it is familiar with all Applicable Laws and agrees to comply with them.

21.1.2 The Supplier agrees that:

- (a) it shall notify the Customer in respect of new Applicable Law and changes to Applicable Law where relevant to the provision of the Services;
- (b) such changes to the Services and this Agreement as are necessary to implement new Applicable Law and/or any changes to Applicable Law and to ensure that the Services are compliant with Applicable Law shall be agreed in accordance with the Change Control Procedure, with any such changes to be at no additional cost to the Customer; and
- (c) its individual conduct shall (to the extent applicable to it) at all times comply with all Applicable Law and directions of bodies having jurisdiction over the countries and regions in which the Services are undertaken and to which the Services are provided.

21.2 Avoidance of conflicts of interest and corruption

21.2.1 The Supplier warrants and represents that it shall not, and its Subcontractors, and its and their officers and the Supplier Personnel shall not:

- (a) make any payments (including use any part of the Charges paid to make any payments) or provide anything of value, directly, indirectly or through any other means whatsoever, to any official or employee of any governmental, legislative or regulatory entity:
 - (i) in an illegal, unethical or improper manner;
 - (ii) by an illegal, unethical or improper method;
 - (iii) in order to procure any illegal, unethical or improper benefit; or
 - (iv) for an illegal, unethical or improper purpose,in each instance, whether or not for the purposes of this Agreement; or
- (b) create or maintain any secret or unrecorded funds or assets for any illegal or unethical purpose, including those referenced in Sections 21.2.1(a) and 21.2.1(c); or
- (c) offer or give to any personnel of, the Customer, or any other Service Recipient, Philip Morris International Inc. or any other entity Controlled by Philip Morris International Inc. or any of their sub-contractors:
 - (v) bribes, secret commissions or other financial inducements; or

- (vi) loans or cash gifts, if such have more than a nominal value, or entertainments in excess of what is customary; or
 - (d) do any act or thing nor permit any situation to arise, whereby the Supplier knowingly or negligently permits any conflict to be created between the interests of the Customer Group (or any member of such Customer Group) or Service Recipient on the one hand and the Supplier or any member of the Supplier Group on the other hand; or
 - (e) without prejudice to the generality of the above provisions do anything that is in breach or that would cause any Service Recipient or its directors, officers, agents and employees to be in breach of the UK Bribery Act or the US Foreign Corrupt Practices Act.
- 21.2.2 The Supplier warrants to the Customer that it shall not, and its officers and the Supplier Personnel shall not while in possession of material information which is not in the public domain, purchase, sell or otherwise trade in securities of Philip Morris International Inc. or any Customer Affiliate (including any corporation or other legal entity anywhere in the world in which Philip Morris International Inc. now or in the future owns or controls (directly or indirectly) 40% or more of the outstanding equity or capital interests or the maximum portion of the outstanding equity or capital interests allowed by law) which amounts to a violation of securities law under the Securities and Exchange Commission or any other locally Applicable Law.
- 21.2.3 The Supplier shall take appropriate disciplinary action for gross misconduct against any officers or Supplier Personnel who breach Section 21.2 and/or Section 21.2.2, which may, as appropriate, include dismissal, but as a minimum the Supplier shall ensure such officers and/or Supplier Personnel (as appropriate) are removed from the Customer Group account and from provision of the Services whether directly or indirectly.
- 21.2.4 The Customer warrants to the Supplier that it shall not, and its officers and personnel shall not act in contravention of any laws relating to the trading in securities in the Supplier.
- 21.3 Regulatory Approvals and Consents Required
 - 21.3.1 The Supplier shall procure, maintain, observe and, at the Customer's reasonable request and within a reasonable period, provide the Customer with evidence of all relevant Regulatory Approvals it requires to provide the Services.
 - 21.3.2 Without limiting the Supplier's obligation as set out in Section 21.3.1, the Customer shall give the Supplier such co-operation and information reasonably required by the Supplier for the purposes of complying with its obligations under this Section 21.

21.4 Registrations, filing and reports Each Party shall:

- 21.4.1 without prejudice to the Supplier's obligations as set out in **Schedule 2** (Services), file all reports with Statutory Instances as required by Applicable Law in connection with that Party's obligations and duties under this Agreement in an accurate and timely manner, and at its own expense; and
- 21.4.2 provide reasonably necessary information and assistance to the other in a timely and accurate manner, to enable the other to comply with any registration or filing requirements that may apply to the other with regard to the Services.

22. CONFIDENTIALITY

22.1 Each Party agrees as to any Confidential Information disclosed by a Party to this Agreement (the "**Discloser**") to the other Party to this Agreement (the "**Recipient**"):

- 22.1.1 to take such steps as are necessary to protect the Discloser's Confidential Information from unauthorised use, reproduction and disclosure (not being less than the steps that the Recipient takes to protect its own Confidential Information of the same type);
- 22.1.2 to use such Confidential Information only for the purposes of this Agreement or as otherwise:
 - (a) expressly permitted or expressly required by this Agreement; or
 - (b) expressly permitted by the Discloser in writing,and shall specifically refrain from seeking to access Confidential Information, and from using Confidential Information including trading of any securities, for its own or any third party's benefit or in any other manner not authorized in writing by the Discloser;
- 22.1.3 not, without the Discloser's prior written consent, to copy the Confidential Information or cause or allow it to be copied, directly or indirectly, in whole or in part, except as otherwise expressly provided in this Agreement, or as required in connection with the Recipient's use as permitted under this Section 22, or as needed for the purposes of this Agreement, provided that any proprietary legends and notices (whether of the Discloser or of a Third Party) are not removed or obscured; and
- 22.1.4 not, without the Discloser's prior written consent, to monitor, aggregate, report on, disclose, transfer, publish or communicate the Confidential Information in any manner (whether anonymised or aggregated) to any person except as permitted under this Agreement.

- 22.2 The Parties agree that Confidential Information shall include the following information of the Discloser and its Group Members which is disclosed to or otherwise learned by the Recipient or its Group Members:
- 22.2.1 commercial or technical information;
 - 22.2.2 information regarding methods, procedures, tools, research or development efforts, computer software, computer network topology and hardware/software configuration information, recipes or formulae, product or marketing plans, vendor or customer relationships, finances and business operations or affairs;
 - 22.2.3 the terms of this Agreement;
 - 22.2.4 Customer Policies;
 - 22.2.5 Work Product;
 - 22.2.6 any Customer Systems Data and Customer Personal Data;
 - 22.2.7 recipes, algorithms, formulas and proprietary software code;
 - 22.2.8 white papers or scientific, technical, market or other research data;
 - 22.2.9 manufacturing techniques, methods and processes;
 - 22.2.10 production and sales information, including manuals, handbooks and statistics;
 - 22.2.11 marketing and product plans and studies, including case studies and advertising information;
 - 22.2.12 customer, business partner and Supplier information;
 - 22.2.13 non-public financial information;
 - 22.2.14 information concerning contemplated transactions with Third Parties;
 - 22.2.15 the terms and conditions of other agreements including letters of intent, Request For Proposals, request for quotations, and request for information;
 - 22.2.16 information concerning the organisation, structure or restructuring of the Supplier Group or the Customer Group, or the groups of which they form part, including policies, procedures, codes of conduct, manuals and other corporate documents;
 - 22.2.17 Material Non-Public Information; and
 - 22.2.18 information that, under Applicable Law, would have to be disclosed before trading in the securities of Philip Morris International Inc.

- 22.3 The restrictions of this Section 22 shall not apply to Confidential Information that:
- 22.3.1 is or becomes generally available to the public through no breach of this Section 22 by the Recipient;
 - 22.3.2 was in the Recipient's possession free of any obligation of confidence prior to the time of receipt of it by the Recipient;
 - 22.3.3 is developed by the Recipient independently of any of the Discloser's Confidential Information;
 - 22.3.4 is rightfully obtained by the Recipient from Third Parties authorised at that time to make such disclosure without restriction; or
 - 22.3.5 is identified in writing by the Discloser as no longer proprietary or confidential.
- 22.4 The restrictions of this Section 22 shall not prohibit the disclosure of Confidential Information by the Recipient if and to the extent that such Confidential Information:
- 22.4.1 is required to be disclosed by law, regulation or court order, provided that the Recipient gives prompt Notice to the Discloser of such legal and regulatory requirement to disclose so as to allow the Discloser reasonable opportunity to contest such disclosure; or
 - 22.4.2 was publicly disseminated by or on behalf of the Customer within the meaning of U.S. securities laws.
- 22.5 Subject to Paragraph 22.6, to the extent that such disclosure is required for the purposes of this Agreement, either Party may disclose Confidential Information to:
- 22.5.1 its employees, agents and independent contractors and to any of the Associated Customer Companies and their respective independent contractors or employees;
 - 22.5.2 its professional advisors and auditors; and/or
 - 22.5.3 subject to the provisions of **Schedule 18** (Benchmarking), any Benchmarking company appointed in accordance with **Schedule 18** (Benchmarking),
who require (or requires) access for the purposes of this Agreement, whom the relevant Party has informed of its obligations under this Section 22 and whom the relevant Party ensures are/is obliged to keep such Confidential Information confidential on terms substantially the same as set forth in this Section 22.
- 22.6 Where Supplier is the Recipient, Supplier shall:
- 22.6.1 disclose, or permit access to, Confidential Information of Customer only to Supplier Approved Personnel, who:

- (a) have a need to know the Received Information for the purposes of the provision of Services or to advise in connection with the purposes of the provision of Services (or both);
- (b) are subject to nondisclosure obligations substantially similar to those of this Agreement; and
- (c) have acknowledged that they have obtained comprehensive training, will obtain such training within 30 days, or obtained advice of qualified counsel on the ramifications of possessing or having access to Confidential Information under the U.S. securities laws, including but not limited to insider trading,

provided that Supplier may disclose, or permit access to, Confidential Information of Customer also to its Affiliates and to their employees and independent contractors subject to such persons' satisfying the conditions of sub-paragraphs (a), (b) and (c) of Paragraph 22.6.1;

- 22.7 The provisions of this Section 22 shall survive the expiry or any earlier termination of this Agreement.
- 22.8 This Section 22 applies to all Confidential Information that Supplier receives, accesses or is exposed to (directly or indirectly) in the course of the provision of the Services.
- 22.9 Nothing in this Agreement shall prevent Customer from disclosing the terms of this Agreement, including the other Party's identity and the payment terms hereof, if necessary, to comply with any government agency or official request. Before any such disclosure, the Customer shall inform Supplier and give Supplier a reasonable opportunity to dispute such disclosure.
- 22.10 Confidential Information shall be and remain the property of the Discloser and nothing in this Section 22 shall be construed to grant either Party any right or licence with respect to the other Party's Confidential Information otherwise than expressly set out in this Agreement.
- 22.11 Subject as otherwise expressly provided in this Agreement, the Recipient shall either destroy or erase (which shall mean overwriting storage media to a degree and completeness that such Confidential Information is not retrievable from that media or destroying such storage media to a degree that the media cannot be used in a way that the Confidential Information can be retrieved) and confirm such destruction or erasure in writing, or return to the Discloser all Confidential Information in tangible or electronic form under the control of the Recipient promptly upon the earlier of:
 - 22.11.1 the written request of the Discloser; or
 - 22.11.2 termination or expiry of this Agreement.

- 22.12 Subject as otherwise specifically provided by this Agreement, the provisions of this Agreement are and shall remain Confidential Information of both Parties.
- 22.13 Supplier shall accept responsibility for any access to, use, or disclosure of Confidential Information in violation of the terms of this Agreement, and take such steps as may be required by this Agreement and applicable law to enforce this obligation.
- 22.14 The Parties acknowledge that Supplier's breach of this Paragraph (including by its Affiliates, employees, directors, agents, auditors, attorneys, consultants or other advisors and assigns) would cause Customer and its Affiliates, employees, directors, agents, auditors, attorneys, consultants or other advisors and assigns, irreparable injury for which damages would not be an adequate remedy. Therefore, in the event of such breach, Customer shall be entitled to seek injunctive relief in addition to any other remedies it may have.
- 22.15 Customer acknowledges and agrees that Supplier will not be in breach of this Section 22 if:
- 22.15.1 Supplier in the provision of the Services collects and uses data relating solely to sourcing spend under management and prices offered by third party suppliers; and
 - 22.15.2 such data is recorded by Supplier in an aggregated and anonymized form; and
 - 22.15.3 such data is used solely for Supplier's business development and for determining the market based price for goods and services procured for Customer,
- and provided always:
- 22.15.4 that such data is not identifiable in any way as originating from or relating to Customer, Customer's industry, or any of its suppliers and nor can this be deduced from any such information either on its own or in combination with any other information which is available to any person who views or is provided with any such data; and
 - 22.15.5 that in no circumstances shall Supplier be permitted to collect or use data that constitutes Material Non-Public Information; and
 - 22.15.6 Supplier shall be responsible for any liability arising out of such use.

23. INTELLECTUAL PROPERTY

23.1 Background IPR

Each Party acknowledges and agrees that all Background IPR which is used in connection with the performance of this Agreement remains the property of the relevant Party or Service Recipient introducing the same.

23.2 Work Product

- 23.2.1 The Supplier shall ensure that all Work Products shall be the original work of the Supplier and its personnel. The Supplier shall not disclose to any member of the Customer Group nor induce any member of the Customer Group to use the trade secrets or other confidential information of others.
- 23.2.2 Save for any Supplier Background IPR contained therein, the Supplier hereby:
- (a) irrevocably assigns to the Customer all worldwide right, title and interest in and to all Intellectual Property Rights in and to all Work Product, free and clear of any liens, claims or other encumbrances; and
 - (b) irrevocably waives all moral rights relating to the Work Product
to the fullest extent permitted by law.
- 23.2.3 The Supplier shall require that all its employees, Subcontractors or other third parties rendering services pursuant to this Agreement assign to the Customer all rights, including Intellectual Property Rights relating to Work Products they produce. As and when requested by the Customer, the Supplier shall execute a certificate of acknowledgement of the foregoing assignment, and such other instruments or documents as the Customer reasonably requests (including waivers of moral rights) in order to register, establish, maintain, perfect, or defend its exclusive rights in or to such Work Products.
- 23.2.4 The Supplier shall promptly communicate full information regarding Work Products to the Customer. The Supplier shall provide to the Customer, at the Customer's expense, all assistance reasonably required to perfect the Customer's rights pursuant to this Section 23, including giving evidence in proceedings and suits to obtain, maintain and assert any Intellectual Property Rights in such Work Products and to assert the Customer's rights in subject matter not subject to the foregoing Intellectual Property Rights.
- 23.2.5 Any Supplier Background IPR contained in the Work Product shall remain the sole and exclusive property of the Supplier. Supplier hereby grants the Customer Group a perpetual, irrevocable, royalty free, non-exclusive license to use any Supplier Background IPR in the Work Products for the Customer Group's business purposes (including the activities set out in Section 23.2.6) and to authorise Third Parties to use the same on their behalf.
- 23.2.6 At any time during and after the Term, all Work Products may be used, altered, duplicated and reproduced in all forms and for all media, including all electronic media, worldwide by or on behalf of any member of the Customer Group for the Customer Group's business purposes. Any member of the Customer Group may combine the Work Products with any other information, materials or designs to which any member of the Customer Group has or may obtain rights from any

source and may disclose the Work Product (whether modified or combined or otherwise) to any third party. The Supplier shall not receive any form of additional compensation from any member of the Customer Group for such Customer Group member's use of the Work Products in any manner.

23.2.7 Save for any Supplier Background IPR, the Customer shall retain exclusive ownership of the Work Products and related Intellectual Property Rights and other proprietary rights after termination or expiry of this Agreement.

23.2.8 The Supplier shall have valid and enforceable written agreements with all of its personnel providing Services containing a nondisclosure obligation comparable in scope to Section 22 and giving the Supplier all rights necessary to give effect to the provisions of this Section.

23.3 Licences of Intellectual Property Rights

23.3.1 The Customer hereby grants to the Supplier a non-exclusive, paid-up, royalty-free licence during the Term to use, with the right to sub-license such use to a Subcontractor, its Customer IPR to the extent necessary and solely for the purposes of providing the Services. Except as permitted in accordance with this Agreement, the Supplier shall not use such Customer IPR to provide services for the benefit of any Third Party (other than the Service Recipients).

23.3.2 In addition and without prejudice to Section 23.2 in relation to any Work Product, where necessary to enable the Service Recipients to receive the benefit of the Services and for the business purposes of the Customer Group, the Supplier:

(a) hereby grants to the Service Recipients a worldwide, non-exclusive, non-transferable, paid-up, royalty-free right and licence during the Term to use, and to authorise Third Parties to use on their behalf, the Supplier IPR; and

(b) shall procure for the Service Recipients at no additional cost, such rights under, or licences to use, Third Party IPR introduced by the Supplier.

23.3.3 Software: Supplier Software shall be considered to be Supplier IPR. The Supplier hereby grants to the Service Recipients a worldwide, non-exclusive, non-transferable, paid-up, royalty-free right and licence during the Term to use, and to authorise Third Parties to use on their behalf, the Supplier Software subject only to any limits expressly included in **Schedule 12**.

23.3.4 Supplier shall not use Third Party IPR without Customer's prior written consent. If the Supplier uses in the course of the provision of the Services any Third Party IPR it shall to the extent it is able to do pass through to the Customer such Third Party warranties (including any warranties in respect of the processing of

monetary data in the EUR denomination and of respecting the EUR formatting convention) relating to such Third Party IPR.

- 23.3.5 The Supplier shall not acquire any right, title or interest in or to any Customer IPR, and the Customer shall not acquire any right title or interest in or to any Supplier IPR, except as expressly provided in this Agreement.

23.4 Intellectual Property Rights Indemnities

- 23.4.1 The Customer shall indemnify and hold harmless the Supplier from and against all losses, damages (including royalty payments), liabilities, expenses and costs which a court or other forum of competent jurisdiction orders the Supplier to pay to a Third Party or which the Supplier pays out to a Third Party under a settlement which has been agreed in accordance with Section 26 (and in addition its reasonable legal costs, expenses and charges) as a result of any dispute or contractual, tortious or other claims or proceedings brought against the Supplier in any jurisdiction by a Third Party alleging infringement of its Intellectual Property Rights by reason of the Supplier's use in accordance with this Agreement of the Customer IPR provided by the Customer (other than in respect of Customer IPR which is owned by virtue of Section 23.2), provided that the infringement or alleged infringement is not a result of:

- (a) the modification of such Customer IPR, or the use of such Customer IPR in other than its specified operating environment, by the Supplier or any Subcontractor;
- (b) the combination, operation or use by the Supplier or any Subcontractor of such Customer IPR with products, data or apparatus not provided by or on behalf of a Service Recipient receiving Services in accordance with this Agreement; or
- (c) the use of such Customer IPR by the Supplier or any Subcontractor in a country other than the country specified by the Customer,

unless (a), (b) or (c) was at the direction or request of the Customer.

- 23.4.2 The Supplier shall indemnify and hold harmless the Customer and its licensees and sub-licensees, and the Service Recipients, from and against all losses, damages (including royalty payments), liabilities, expenses and costs which a court or other forum of competent jurisdiction orders the Customer, its licensees and sub-licensees, or a Service Recipient to pay to a Third Party or which the Customer, its licensees and sub-licensees, or a Service Recipient pays out to a Third Party under a settlement that has been agreed in accordance with Section 26 (and in addition the reasonable legal costs, expenses and charges of the Customer, its licensees and sub-licensees, and the Service Recipient) as a result of any dispute or contractual, tortious or other claims or proceedings

brought against the Customer, its licensees and sub-licensees, or a Service Recipient, in any jurisdiction by a Third Party alleging infringement of its Intellectual Property Rights by reason of their use of Work Products, Supplier IPR and/or the Services in accordance with this Agreement provided that the infringement is not as a result of:

- (a) the modification of any Supplier IPR, or the use of such Supplier IPR or the Services in other than their specified operating environment, by the Customer (or its licensees or sub-licensees), a Service Recipient or any Third Party acting at the request of the Customer; or
- (b) the combination, operation or use of such Supplier IPR or the Services by the Service Recipient (or their licensees or sub-licensees) with products, data or apparatus not provided by the Supplier under this Agreement;

unless (a) or (b) was at the direction or request of, or in accordance with specifications provided in writing by, the Supplier.

23.4.3 Without prejudice to the indemnities given at Sections 23.4.1 and 23.4.2, if at any time an allegation of infringement of Intellectual Property Rights is made by a Third Party, or if in the reasonable opinion of either Party such an allegation is likely to be made, the Party (the "**Indemnifying Party**") who would be obliged, in the event of such a claim, to indemnify the other Party (the "**Indemnified Party**", which in the case of the Customer includes its licensees, sub-licensees and the other Service Recipients) may at its own expense either:

- (a) procure for the Indemnified Party the right to continue using such Intellectual Property Rights; or
- (b) modify or replace the allegedly infringing items or activities so as to avoid the infringements, without (where the Indemnifying Party is the Supplier) detracting from the performance of the relevant Services in any material respect.

23.5 General

23.5.1 The Supplier undertakes not to use in the provision of the Services any software which is not commercially available if the unavailability of such software would prevent receipt of the Services or receipt or provision of services similar to the Services after termination or expiry of this Agreement, unless such use has been expressly approved in writing by the Customer.

23.5.2 Except to the extent provided by law without the ability of waiver and save as provided under Section 30, the indemnification rights set out in this Section 23 shall be the sole and exclusive remedy of a Party with respect to the claim to which such indemnification relates.

24. DATA PROTECTION

24.1 The Parties shall comply with the provisions of Schedule 8 (Data Protection).

25. WARRANTIES AND INDEMNITIES

25.1 Warranties

25.1.1 The Supplier warrants and represents to the Customer that:

- (a) it is familiar with all laws and regulations that concern the Supplier's obligations and duties under this Agreement (including the laws and regulations applicable in any jurisdiction relevant to the performance of the Services) and will comply with them;
- (b) it has full capacity and authority and all necessary Regulatory Approvals to enter into and to perform its obligations under this Agreement, and upon the Customer's reasonable request, will provide the Customer with copies of these;
- (c) it is experienced in managing and providing services similar to the Services;
- (d) it is experienced in managing works similar to and of the scale and complexity of the Services;
- (e) this Agreement is executed by duly authorised representatives of the Supplier;
- (f) it shall discharge its obligations under this Agreement with reasonable skill and care and in compliance with Good Industry Practice and the Customer Policies;
- (g) it has and will continue to have (and its Subcontractors have and will continue to have) the experience, breadth and depth of resources and skills to provide the Services (or, in the case of Subcontractors, those parts of the Services in which they are engaged) including sufficient global reach, proven global services and comprehensive networks with relevant partners to deliver the Services world-wide;
- (h) its Subcontractors have and will continue to have the experience, breadth and depth of resources and skills to provide those parts of the Services in which they are engaged including (where appropriate) sufficient global reach, proven global services and comprehensive networks with relevant partners to deliver such parts of the Services world-wide;
- (i) it has and will continue to have (and its Sub-Processors have and will continue to have) sufficient experience in processing personal data in the

countries in which such processing is to take place to enable it (and its Sub-Processors) to process Customer Personal Data in accordance with this Agreement;

- (j) it shall ensure that each of the Supplier Personnel holds any requisite work or residence permit for the jurisdictions in which he or she performs, or by Applicable Law is deemed to perform, the Services;
- (k) it shall ensure that the Supplier Personnel are aware of the standards of conduct required under this Agreement, and will use reasonable efforts to cause such individuals to comply with such standards;
- (l) it will comply with and where applicable will cause the Supplier Personnel to comply with **Schedule 13** (Security);
- (m) in respect of each Subcontractor, it will:
 - (i) use the requisite degree of skill and care in selecting, instructing, co-ordinating and supervising such Subcontractor;
 - (ii) have written confidentiality agreements with such Subcontractor which contain confidentiality obligations comparable in scope to those referred to in Section 22; and
 - (iii) ensure that such Subcontractor has with all of its personnel providing the Services written agreements which contain confidentiality obligations comparable in scope to those that Supplier Personnel may be required to execute pursuant to Section 22.5;
- (n) it shall employ the most up-to-date processes, procedures and products to ensure that it does not provide to any Service Recipient, or install or use (or cause to be installed or used) on the Customer Systems or any computer that communicates with the Customer Systems, any computer software or code that contains any Virus;
- (o) the Supplier Systems shall not contain any Virus;
- (p) it will promptly notify any Service Recipient in the event that the relevant Supplier identifies a Virus on the Customer Systems;
- (q) to the extent applicable, all computer software, computer systems or other item modified by the Supplier or provided to any Service Recipient under this Agreement shall properly execute with all date data, whether from years in the same century or different centuries, including by yielding correct results in arithmetic operations, comparisons and sorting of date data and in leap year calculations;

- (r) all components, equipment, software and hardware manufactured by the Supplier or any of the Associated Supplier Companies and supplied by the Supplier and used in the course of the provision of the Services shall operate in accordance with their technical specifications;
- (s) if the Supplier uses in the course of the provision of the Services, equipment, software and hardware manufactured by any Third Party it will pass through Third Party manufacturer's warranties (including any warranties in respect of processing, providing and/or receiving data transfer within and between the twentieth and twenty-first centuries and the processing of monetary data in the EUR denomination and of respecting the EUR formatting convention) relating to those components, equipment, software and hardware to the extent possible and subject to any conditions imposed by the relevant Third Party. In the event that such warranties cannot be enforced by the relevant Service Recipient, the Supplier will enforce such warranties on the Service Recipient's behalf and pay to the Service Recipient and pass on to the Service Recipient the benefit of any other remedy received in relation to such warranties; and
- (t) all software and hardware manufactured or developed by the Supplier that is used in the course of the provision of the Services is EUR Compliant and, to the extent applicable, incorporates features and functionality to enable associated applications of the Customer Group to be Euro Compliant.

25.1.2 The Supplier shall ensure that its Subcontractors shall give and comply with the warranties set out in Section 25.1 and that all contracts with Subcontractors shall include the warranties set out in this Agreement.

25.1.3 The Customer warrants and represents to the Supplier that:

- (a) it has full capacity and authority to enter into and to perform its obligations under this Agreement; and
- (b) this Agreement is executed by duly authorised representatives of the Customer.

25.1.4 Except as provided in this Agreement, there are no express warranties, representations, undertakings or conditions (statutory or otherwise) by the Supplier or by the Customer and the express warranties in this Section 25.1 have been agreed between the Parties to the exclusion of all implied warranties, representations, undertakings or conditions (statutory or otherwise) by the Supplier or by the Customer, including implied warranties or conditions as to merchantability, satisfactory quality and fitness for a particular purpose, in this Agreement.

25.2 INDEMNITIES

25.2.1 The Supplier shall defend, indemnify and hold harmless all members of the Customer Group, the Service Recipients and their respective directors, officers, agents and employees from and against all claims and suits, and liabilities, losses, damages and expenses, including costs and reasonable attorney's fees, ("**Claims**") relating to or resulting from:

- (a) the breach of any obligation of confidentiality in this Agreement;
- (b) acts or omissions of the Supplier Personnel or the presence of the Supplier Personnel at a facility of any member of the Customer Group (except Claims resulting solely from the negligence or wilful misconduct of the Customer), including Claims resulting from injuries to the Supplier Personnel and Claims resulting from injuries, property damage, and loss of data caused by the Supplier Personnel;
- (c) the Supplier's failure to comply with all laws and regulations applicable to the providing of Services or to obtain all licenses, permits and approvals necessary for it to provide Services;
- (d) the Supplier's relationship with the Supplier Personnel, including any Claims by the Supplier Personnel for wages or for benefits under any benefit plan of a member of the Customer Group and Claims by a governmental authority for withholding, unemployment or other taxes or payments;
- (e) the Supplier's breach of Section 24; or
- (f) the Supplier's breach of Section 27.6.4.

26. CONTROL OF CLAIMS COVERED BY AN INDEMNITY

26.1 In respect of any indemnities which relate to Third Party claims or proceedings, the Parties agree to the following:

- 26.1.1 the Indemnified Party as promptly as practicable will inform the Indemnifying Party in writing of the claim or proceedings and provide all relevant evidence, documentary or otherwise;
- 26.1.2 if, thereafter, the Indemnifying Party provides the Indemnified Party with Notice of its decision to take control of the defence and investigation of such claim (collectively, the "**Defence**") not fewer than ten Business Days prior to the date on which a response to such claim is due, then the Indemnifying Party shall be given full control of the Defence (including freedom to choose legal advisors) at the Indemnifying Party's sole cost and expense;

- 26.1.3 the Indemnified Party shall, at the cost of the Indemnifying Party, give the Indemnifying Party all reasonable assistance in the Defence of such claim including reasonable access to all relevant information, documentation and personnel provided that the Indemnified Party may, at its sole cost and expense, reasonably participate, through its attorneys or otherwise, in such Defence;
- 26.1.4 after the Indemnifying Party's Notice to the Indemnified Party of its election to assume full control of the Defence of any such claim, the Indemnifying Party will not be liable to the Indemnified Party for any expenses, including legal expenses, incurred thereafter by such Indemnified Party in connection with the Defence, except for expenses incurred by the Indemnified Party at the Indemnifying Party's request;
- 26.1.5 if the Indemnifying Party does not assume full control over the Defence of a claim as provided in this Section 26, the Indemnifying Party may participate in such Defence, at its sole cost and expense, and the Indemnified Party will have the right to defend the claim in such manner as it may reasonably deem appropriate, at the cost and expense of the Indemnifying Party;
- 26.1.6 the Indemnified Party shall not prejudice, pay or accept any proceedings or claim, or compromise any proceedings or claim prior to judgment without the written consent of the Indemnifying Party;
- 26.1.7 all settlements of claims subject to indemnification under this Section 26 shall:
- (a) be entered into only with the consent of the Indemnified Party, such consent not to be unreasonably withheld, and include an unconditional release to the Indemnified Party from the claimant or plaintiff for all liability in respect of such claim; and
 - (b) include any appropriate confidentiality agreement prohibiting disclosure of the terms of such settlement;
- 26.1.8 the Indemnified Party shall account to the Indemnifying Party for all insurance payments, tax rebates, awards, settlements, damages and costs (if any) paid or awarded in favour of, and received by, the Indemnified Party or any other amounts which are paid to or recovered by it in connection with any such claim or proceedings. The Indemnified Party shall not be entitled to recovery from the Indemnifying Party in respect of any loss more than once;
- 26.1.9 the Indemnified Party shall take such steps as the Indemnifying Party may reasonably require to mitigate or reduce its loss as a result of such a claim or proceedings; and

- 26.1.10 in the event that the Indemnifying Party makes payment pursuant to this Section 26, all rights and defences of the Indemnified Party with respect to the claims to which such indemnification relates will be subrogated to the Indemnifying Party.

27. LIMITATION OF LIABILITY

27.1 For the purposes of Sections 27.1, 27.2, 27.3, and 27.4, references to:

27.1.1 the "Supplier" include the Supplier and the Supplier Affiliates and the employees, officers, representatives and Subcontractors of the Supplier and/or any of the Supplier Affiliates (including Local Supplier Affiliates and the Supplier Affiliates under Project Agreements); and

27.1.2 the "Customer" include the Customer, Customer Affiliates, Service Recipients and the employees, officers, representatives and sub-contractors of the Customer, Customer Affiliates (including Local Customer Affiliates and Customer Affiliates under Project Agreements) and/or Service Recipients.

27.2 Exclusion of certain categories of loss

27.2.1 Except where provided to the contrary in this Agreement, neither the Customer nor the Supplier shall have any liability to the other for any claim to the extent that the same is or can be characterised as a claim for (or arising from):

- (a) loss of goodwill or injury to reputation;
- (b) loss of business opportunity; or
- (c) any indirect, consequential or special loss or damages,
regardless of the form of action, whether in contract, strict liability or tort (including negligence), and regardless of whether the first named Party knew or had reason to know of the possibility of the loss, injury, or damage in question.

27.2.2 The Customer shall not have any liability to the Supplier for any claim to the extent that the same is or can be characterised as a claim for (or arising from) loss of profits, revenue or business (whether direct or indirect).

27.2.3 The provisions of Section 27.2.1 shall not limit the right of the Customer to recover from the Supplier:

- (a) costs and expenses incurred in reloading or restoring from back-up electronic media any lost, stolen or damaged Customer Systems Data;
- (b) additional costs of procuring and implementing replacements for, or alternatives to, the Services, which are substantially similar in scope to and not an expansion of the Services including reasonable consultancy costs, additional costs of management time and other personnel costs;

- (c) costs and expenses of replacing lost, stolen or damaged equipment, software and materials;
- (d) reasonable costs and expenses of procuring the Services or Replacement Services from an alternative source; or
- (e) payments or penalties imposed by a Statutory Instance.

27.3 Cap on the Supplier's liability

27.3.1 The total aggregate liability of the Supplier to the Customer (excluding claims to which Section 27.5 applies, which shall not count towards this cap) whether under contract, tort (including negligence), breach of statutory duty or otherwise, shall not for any and all causes of action arising in or relating to a calendar year exceed the greater of: (i) 200% of the Charges paid or payable by Customer under this Agreement (including any and all Local Agreements and Project Agreements) to Supplier in that calendar year; or (ii) \$2,600,000 (two million six hundred thousand US dollars).

27.3.2 The Parties agree that in determining whether the provisions of Section 27.2.1 apply to any loss of the Customer in respect of which the Customer brings a claim pursuant to Section 27.6.1 the loss or claim will be treated in the same manner as the same loss would have been treated had it been incurred directly by the Customer (so if it was, for example, a direct loss of another Service Recipient it will be treated for purposes of Section 27.2.1 as a direct loss of the Customer and if it was, for example, a loss of goodwill on the part another Service Recipient it will be treated as a loss of goodwill on the part of the Customer), and it shall not be treated as indirect solely on the basis that it is incurred by a Service Recipient and not the Customer.

27.4 Cap on the Customer's Liability

27.4.1 The total aggregate liability of the Customer to the Supplier (excluding claims to which Section 27.5 applies, which shall not count towards this cap) whether under contract, tort (including negligence), breach of statutory duty or otherwise, shall not for any and all causes of action arising in or relating to a calendar year exceed 200% of the Charges paid or payable by Customer under this Agreement (including any and all Local Agreements and Project Agreements) to Supplier in that calendar year.

27.5 Claims and Remedies not subject to Limitation

27.5.1 Nothing contained in this Agreement will restrict the Supplier's liability to the Customer for:

- (a) death or personal injury resulting from any act, omission or negligence of the Supplier;

- (b) loss of or damage to real or personal property of a Service Recipient caused by reason of any breach by the Supplier of the terms of this Agreement; or by the Supplier in connection with the performance or purported performance of its obligations under this Agreement (as applicable);
- (c) fraud or fraudulent misrepresentation;
- (d) any claim under an indemnity in this Agreement (including the indemnities in Sections 6, 16.9, 23.4.2, 25.2 and);
- (e) any damage caused by viruses or other "malicious code" intentionally transmitted by the Supplier; or
- (f) wilful default, wilful misconduct or wilful abandonment of Supplier.

27.5.2 Nothing contained in this Agreement will restrict the Customer's liability to the Supplier for:

- (a) death or personal injury resulting from any act, omission or negligence of the Customer;
- (b) loss of or damage to real or personal property of the Supplier caused by reason of any breach by Customer of the terms of this Agreement;
- (c) fraud or fraudulent misrepresentation;
- (d) any claim under an indemnity in this Agreement including the indemnities in Sections 6, 23.4.1 and pursuant to Schedule 22;
- (e) Customer's obligation to pay valid Charges in respect of Services that have been supplied and invoiced in accordance with this Agreement by the Supplier; or
- (f) any damage caused by Viruses or other "malicious code" intentionally transmitted by the Customer.

27.5.3 Any liability which arises under or in connection with this Agreement after the Term shall be considered to have arisen in or relate to the final calendar year during the Term.

27.5.4 For the avoidance of doubt, it is agreed that the caps on liability set out in Sections 27.3 and 27.4 are aggregate caps across this Agreement and any Local Agreements or Project Agreements entered into in connection with this Agreement by any member of the Customer or Supplier group, and that liability under one such agreement will therefore reduce the cap available under another such agreement, as further described in Paragraph 2.29 of Schedule 19 and Paragraph 1.13 of Schedule 20.

27.6 Third Party Rights

- 27.6.1 The Customer may on behalf of each Service Recipient, as applicable, enforce the Supplier's obligations under this Agreement which are expressly or implicitly intended to benefit such Service Recipient. If the Customer takes action on behalf of a Service Recipient in accordance with this Section 27.6.1, the loss suffered by such Service Recipient shall be deemed to be the loss of the Customer.
- 27.6.2 For the avoidance of doubt, Section 27.6.1 shall not prejudice, limit or restrict the Customer's rights to take action on its own behalf to enforce the Supplier's obligations under this Agreement.
- 27.6.3 Where the Customer is entitled to enforce the Supplier's obligations (in respect of this Agreement) on behalf of a Service Recipient then, if legal proceedings are to be commenced in order to enforce such obligations or any award made in respect of such obligations, the Customer shall use all reasonable endeavours to procure that:
- (a) the Customer brings the legal proceedings in its own name; or
 - (b) if the Customer reasonably believes (after taking professional advice) that there is a risk that the enforcement of the claim or any subsequent award or judgment may be prejudiced if proceedings are taken in its sole name, the Customer brings the legal proceedings in the joint names of the Customer and the Service Recipient in question; or
 - (c) if the Customer reasonably believes (after taking professional advice) that there is a risk that the enforcement of the claim or any subsequent award or judgment may be prejudiced if proceedings are taken in the name of the Customer, the Service Recipient brings the legal proceedings in its own name.
- 27.6.4 Supplier shall ensure that no Supplier Affiliate or subcontractor brings any claim against Customer or any member of the Customer Group. All claims arising out of this Agreement or any Local Agreement shall (subject to Paragraph 2.28 of Schedule 19) be made directly by Supplier against Customer.
- 27.6.5 Except as provided in this Section 27 and in Section 33.1, this Agreement does not create any right enforceable by any person not a party to it except that a person who is the successor to or the permitted assignee of any rights of a Party shall be deemed to be a party to this Agreement for the purposes of this Section 27.
- 27.6.6 The Customer acknowledges and agrees that the Supplier shall not be liable to both the Customer and another Service Recipient in respect of the same loss or

damage and that such loss and damage shall not be recovered twice in any actions by the Customer and a Service Recipient.

27.6.7 The Supplier may have access to, or use of, products or services provided to a Service Recipient, Philip Morris International Inc. or an entity Controlled by Philip Morris International Inc., by a Third Party Supplier. The Supplier agrees not to claim directly against any such Third Party Supplier and instead to make such claim against the Customer. To the extent that any Supplier claim against a Service Recipient relates to such products or services, any:

(a) exclusions on liability which are more restrictive than those which would apply under this Agreement; and/or

(b) limitations on liability which are lower than those which would apply under this Agreement,

which have been agreed by the Service Recipient with that Third Party Supplier shall determine the extent of the Customer's liability to the Supplier.

27.6.8 This Section 27 is without prejudice to any provision of this Agreement which specifies that recovery is without prejudice to other rights and remedies to which the Party may be entitled.

27.7 Operation of this Section

27.7.1 Nothing in this Section 27 shall:

(a) affect any Party's right to terminate this Agreement in accordance with its terms;

(b) affect any entitlement of a Party to injunctive or equitable relief; or

(c) exclude or limit any liability which cannot be excluded or limited by mandatory Applicable Law.

27.7.2 The provisions of this Section 27 shall continue to apply notwithstanding the termination or expiry of this Agreement for any reason whatsoever.

28. INSURANCE

28.1 The Supplier shall during the Term and for at least one year following expiry or termination of the Term, maintain employer's liability, third party liability, product liability and professional negligence insurance to cover any potential liability which may arise under this Agreement with internationally recognized insurance companies.

28.2 During the period of the insurance cover referred to in Section 28.1 above, the Supplier shall:

- 28.2.1 do nothing to invalidate any such insurance policy or policies;
 - 28.2.2 preserve the Supplier's interest in such policy or policies;
 - 28.2.3 once per year, in January, and at other times on the Customer's written request from time to time, send confirmation of payment of the premium and of continued cover to the Customer; and
 - 28.2.4 administer the insurance policy or policies and the Supplier's relationship with its insurers at all times to preserve the benefits for the Service Recipients set out in this Agreement and shall use all reasonable efforts to procure that the terms of such policy or policies shall not be altered in such a way as to diminish the benefit to the Service Recipients of such policy or policies.
- 28.3 The Supplier shall notify the Customer as soon as it is aware of any event occurring in relation to the Agreement which may give rise to a claim under any insurance required by this Section 28.

29. FORCE MAJEURE

- 29.1 Subject to the remaining provisions of this Section 29, to the extent that either Party is prevented from performing its obligations under this Agreement by an Event of Force Majeure then that Party shall not be liable (including for any loss or damage suffered) to the other Party for such failure to perform or any delay in performing such obligations. Without prejudice to the relief granted in the foregoing provisions of this Section 29.1, the Party seeking to rely on the Event of Force Majeure shall use Commercially Reasonable Efforts during the continuation of the Event of Force Majeure to perform such of its obligations (or such part of its obligations) as it is able to perform to the best level reasonably achievable in the circumstances of the Event of Force Majeure.
- 29.2 On the occurrence of an Event of Force Majeure which affects the provision of the Services, the Supplier and the Customer shall discuss in good faith such alternative services (during the period of any suspension of Services) as shall be calculated to minimise the commercial disruption and losses suffered by the Customer and other Service Recipients as a result of the suspension, any such alternative services to be agreed in accordance with the Change Control Procedure.
- 29.3 To the extent that any Event of Force Majeure affecting the Supplier or Service Recipient results in any Services ("**Suspended Services**") being suspended under this Agreement (which includes such Services being delivered to a level where they are of no significant commercial benefit to a Service Recipient or to a level substantially below the normal level of provision), then the Customer may, at its sole discretion, require that any of the following options applies (and may change the option from time to time):
- 29.3.1 the Suspended Services shall not be deemed to be part of the Services for the period of such suspension;

- 29.3.2 the Customer may itself procure the provision of the Suspended Services from an alternative supplier until cessation of the suspension;
- 29.3.3 the Customer may direct the Supplier to procure the provision of the Suspended Services from an alternative supplier until cessation of the suspension; or
- 29.3.4 the Customer may direct the Supplier to provide such alternative services (during the period of the suspension) as will be calculated to minimise the commercial disruption and losses suffered by the Service Recipient as a result of the suspension,

provided that:

- (a) if the Customer chooses one of the options set out in Section 29.3.1 or 29.3.2 the Customer will not be obliged to pay Charges in respect of the Suspended Services for the duration of the suspension; or
 - (b) if the Customer chooses one of the options set out in Section 29.3.3 or 29.3.4, the Customer will not be obliged to pay Charges in respect of the Suspended Services for the duration of the suspension but shall pay the Supplier for the alternative services (or the services from an alternative Supplier) (the "**Alternative Services**") a sum equivalent to whichever of the following results in the lowest figure:
 - (i) the Charges that would be payable for the Alternative Services were they to be carried out by the Supplier on a time and materials basis at the relevant Day Rates;
 - (ii) the out-of-pocket charges paid by the Supplier to a third party for the provision of the Alternative Services; or
 - (iii) the Charges that the Customer would have paid for the Suspended Services.
- 29.4 If on the expiry of 30 days from the Event of Force Majeure, the Supplier is still prevented from providing the Suspended Services as a result of the Event of Force Majeure then the Customer may give Notice at that time terminating the Suspended Services or, at its option, where the Event of Force Majeure materially affects any element of the Services or the Services as a whole under this Agreement, terminating that element or this Agreement. Such a Notice will be treated as though it were a Notice given under Section 30.1.1.
- 29.5 Without prejudice to the relief from liability and performance given in Section 29.1 the Parties shall use Commercially Reasonable Efforts to prevent, avoid, overcome and mitigate the effects of any reasonably foreseeable Event of Force Majeure. Where the performance of an obligation under this Agreement which is required to be performed on or before a specific date or within a specific period is affected by an Event of Force

Majeure any Party so affected shall be entitled to such extension of time for the performance of that obligation as is reasonable in all the circumstances and the Parties shall use their reasonable endeavours to agree any consequential changes to any timetable for the performance of any other obligation which is affected by the delay.

29.6 The Party claiming to be affected by an Event of Force Majeure will not be entitled to invoke the provisions of Section 29.1 unless it fully performs the following obligations:

29.6.1 on becoming aware of any Event of Force Majeure which gives rise, or which is likely to give rise, to any failure in the performance of its obligations under this Agreement, it notifies the other Party by the most expeditious method then available, giving details of the Event of Force Majeure, the obligations on its part which are affected and its reasonable estimate of the period for which such failure will continue;

29.6.2 it provides written confirmation and reasonable evidence of such Event of Force Majeure within ten Business Days of notification under Section 29.6.1;

29.6.3 in the case of an Event of Force Majeure affecting the Supplier, it complies fully with any obligations it has in **Schedule 16** (Business Continuity);

29.6.4 it uses Commercially Reasonable Efforts to prevent, avoid, overcome and mitigate the effects of such Event of Force Majeure; and

29.6.5 where it is the Supplier who is affected by the Event of Force Majeure, it complies with its obligations in Sections 29.2 and 29.3.

29.7 Supplier hereby confirms and agrees that outbreak and spread of the coronavirus (known as COVID-19) or the actions taken in response to this coronavirus (including by governments) (together "Coronavirus Consequences") is not an Event of Force Majeure and shall not impact on Supplier's ability to provide the Services as required by this Agreement.

30. TERMINATION

30.1 Termination of the Agreement by the Customer

30.1.1 The Customer may terminate this Agreement by giving Notice to the Supplier if the Supplier becomes insolvent, is the subject of a petition for creditor protection or a petition in bankruptcy or of any other proceedings under bankruptcy, insolvency (or equivalent laws in other countries) or makes an assignment for the benefit of creditors, and such termination shall become effective on the delivery of such Notice (or such later date as the Customer may specify in the Notice).

30.1.2 The Customer may terminate this Agreement:

- (a) by giving the Supplier at least 30 days' Notice (calculated from the date of service of Notice), where the Supplier is in material Default of its obligations under this Agreement. Any Notice served pursuant to this Section 30.1.2(a) shall give details of such Default, and, where that Default is remediable, the Supplier shall be entitled to a period of 30 days from the date of service of the Notice to remedy the Default. If that Default is remedied within such 30-day period, the Notice shall lapse. If the Default is not capable of remedy or is not remedied within the 30-day period, the Agreement will terminate on expiry of the period specified in the Notice;
- (b) by giving the Supplier at least 30 days' Notice (calculated from the date of service of Notice) following any Unacceptable Service threshold being met, in which case the Agreement will terminate on expiry of the period specified in the Notice; or
- (c) by giving the Supplier Notice where the Supplier is in Default:
 - (i) under Section 7.4.1 or Section 22 in each case, as the Default relates to Customer Personal Data;
 - (ii) under Section 24 (in so far as the Default relates to the disclosure or transfer of Customer Personal Data or the processing of such Customer Personal Data beyond the scope of any permission given in or pursuant to Section 24);
 - (iii) under Section 21.2; or
 - (iv) any other Section or Paragraph which refers to this Section 30.1.2(c),

and termination under this Section 30.1.2(c) shall become effective on the delivery of such Notice (or such later date as the Customer may specify in the Notice), and such termination by Customer under this Section 30.1.2 shall be without prejudice to the Customer's right to pursue remedies for damages or otherwise in connection with the Default or the underlying Service failure.

- 30.1.3 The Customer may terminate this Agreement for convenience at any time during the Term by giving not less than 12 months' Notice (calculated from the date of service of Notice) to the Supplier (such termination to take effect on the expiry of such Notice, provided the expiry of such Notice is no earlier than 15 months from the Transition Start Date) without penalty or cost except any applicable Termination Charges.
- 30.1.4 At any time prior to the Transition Notice Date, the Customer may terminate this Agreement and any Local Agreement for convenience immediately on written

Notice to the Supplier without penalty or cost (and for the avoidance of doubt without payment of any Termination Charges (or Additional Termination Fees)).

30.1.5 The Customer may terminate this Agreement where a change in the Control of the Supplier has occurred or is to occur and the Customer:

- (a) demonstrates through its representatives on the Relationship Committee as described in **Schedule 9** (Relationship Management and Governance) that such change in Control may have a material impact on the delivery of any Services; and/or
- (b) is concerned about the identity of the entity who has acquired Control of the Supplier on the grounds that such entity is or has been:
 - (i) a competitor of the Customer, Philip Morris International Inc. or any entity that is Controlled by Philip Morris International Inc.;
 - (ii) included in the SDN List; and/or
 - (iii) designated by the US Secretary of State as a state sponsor of international terrorism,

by giving Notice to the Supplier within 90 days of the Customer becoming aware of such change in Control and such termination shall become effective on the delivery of such Notice (or such later date as the Customer may specify in the Notice).

30.2 Termination in part

30.2.1 Where the Customer is entitled to terminate this Agreement, the Customer may terminate this Agreement either in whole or in part. The Customer may, for example, terminate this Agreement in part as it relates to a particular Service Element or Local Agreement.

30.2.2 Where the Customer opts to terminate this Agreement in part, it shall exercise such termination option in the same manner as if it were terminating the whole Agreement and for the avoidance of doubt, the provisions of this Section 30, Section 31 and **Schedule 15** (Exit Management) shall apply, with appropriate amendments, to such partial termination.

30.3 Termination of the Agreement by the Supplier

The Supplier's sole right of termination under this Agreement shall be as set out in this Section 30.3. The Supplier hereby waives any other rights of termination it may have at common law or otherwise.

- 30.3.1 The Supplier shall have the right to terminate this Agreement for convenience on 4 months prior written Notice provided such Notice is received by Customer both: a) after 1st January 2023; and b) prior to the Transition Notice Date.
- 30.3.2 The Supplier may terminate this Agreement by giving Notice to the Customer if the Customer fails to pay any sums that are properly due to the Supplier which have been correctly invoiced in accordance with this Agreement and are not disputed by the Customer, provided that prior to the issue of such Notice:
- (a) the period for payment of such sums has expired;
 - (b) subsequent to such expiry the Supplier has issued a Notice entitled "final demand" to the Customer specifying the failure and referring the failure to the Escalation Procedure;
 - (c) the Escalation Procedure has been exhausted in relation to the failure; and
 - (d) the failure has not been rectified by the Customer within 30 days following exhaustion of the Escalation Procedure.

31. CONSEQUENCES OF TERMINATION AND EXIT MANAGEMENT

- 31.1 Expiry or termination of this Agreement howsoever caused shall:
- 31.1.1 be without prejudice to any obligations or rights of either of the accrued prior to such expiry or termination; and
 - 31.1.2 not affect any outstanding Charges which shall remain due and payable by the Customer to the Supplier for Services provided during the Term in accordance with the terms of this Agreement or, if the Customer has paid any Charges in advance in respect of the period after the effective date of termination, the Supplier shall repay all such Charges.
 - 31.1.3 not affect any provision of this Agreement which is expressly or by implication intended to come into effect on, or to continue in effect after expiry or termination (including the provisions of **Schedule 15** (Exit Management)).
- 31.2 In relation to expiry or termination of this Agreement howsoever caused the Parties shall comply with the terms of **Schedule 15** (Exit Management).
- 31.3 Where the Customer terminates this Agreement under Section 30.1.3 Termination Charges may be payable, as determined by and as set out in Schedule 4 (Charges) the right to claim which, in either case, shall be the Supplier's only remedy arising from such termination. For the avoidance of doubt, Termination Charges shall not be payable in any other circumstances other than there may still be Additional Termination Fees payable for non-renewal of the Agreement beyond the Initial Term, to the extent such Additional Termination Fees are specified in Appendix B of Schedule 4 (Charges).

- 31.4 A right of Customer to terminate immediately shall include the right to terminate immediately or with effect from a later date specified in the termination notice.

32. SECTION DELETED

33. ASSIGNMENTS AND SUB-CONTRACTING

33.1 Assignment

- 33.1.1 Except to the extent otherwise expressly permitted in this Agreement (in particular, in Section 33.1.2), no Party shall assign, or transfer or purport to assign, or transfer any of its rights, liabilities or obligations under the relevant agreement without the other Party's prior written consent.

- 33.1.2 Upon reasonable notice to Supplier where practicable and in accordance with Applicable Law and any Third Party confidentiality agreements, the Customer may assign or transfer all of its rights and obligations under this Agreement or in respect of any Local Agreement to:

- (a) any member of the Customer Group;
- (b) a new organisation resulting from a re-organisation, consolidation or merger; or
- (c) any purchaser of a material or substantial part of the assets or undertaking of the Customer, the Associated Customer Companies and/or Service Recipients as a going concern.

- 33.1.3 Any attempted transfer or assignment of this Agreement not in accordance with the terms of this Section 33.1 shall be null and void.

33.2 Subcontractors

- 33.2.1 The Supplier shall not sub-contract any part of the Services without the Customer's prior written consent.

- 33.2.2 Irrespective of whether or not any sub-contracting arrangement has Customer's consent pursuant to Section 33.2.1, the Supplier shall engage only such Subcontractors as are capable of contributing effectively to the express aims of this Agreement.

- 33.2.3 Where the Supplier sub-contracts any obligation under this Agreement such arrangement shall not relieve the Supplier of its obligations under this Agreement, and Supplier shall remain primarily liable for all the acts and omissions of its subcontractors as if they were acts and omissions of Supplier.

- 33.2.4 The Supplier shall not sub-contract any part of the Services to any person on the SDN List or designated by the US Secretary of State as a state sponsor of

international terrorism.

33.2.5 Sub-contracting any part of the Services by the Supplier shall be subject always to Section 24.

33.2.6 Customer hereby consents to Supplier appointing those Subcontractors in **Schedule 10** (Approved Subcontractors) with respect to the scope of service specified for that Subcontractor (if any).

34. SECTION DELETED

35. CUSTOMER RIGHT OF REVIEW

35.1 Customer Right of Review

35.1.1 The Supplier shall co-operate fully with and assist Service Recipients in meeting their audit and regulatory requirements by providing escorted access for them, their internal auditors and external auditors, and any agents appointed by them (provided that such external auditors or agents are not Direct Competitors) to conduct appropriate reviews and inspections of the data processing facilities, procedures and Documentation and the activities and records of the Supplier relating to the performance of the Services and to the Charges for the purpose of reviewing and verifying:

- (a) the accuracy of invoices provided to the Customer by the Supplier;
- (b) details relating to expenses claimed;
- (c) that the Services are being provided in accordance with this Agreement, and the Supplier's other obligations in this Agreement are being complied with;
- (d) and examining, inspecting and testing the Customer Data, and any associated records and Documentation in the possession or control of the Supplier and taking copies of the same;
- (e) the treatment, integrity, protection and retention of all Customer Data including any associated records and Documentation;
- (f) the security of Customer Data on mobile devices;
- (g) software licensing;
- (h) the incidence of fraud relating to this Agreement; and
- (i) compliance with the Applicable Data Protection Laws and the data protection requirements of this Agreement,

and shall permit the Service Recipients and their auditors to take copies of records and Documentation and interview the Supplier Personnel as required for the purpose of meeting the audit and review requirements.

35.1.2 Not more than once in a calendar year, and upon 30 days' prior

written notice the Customer may examine the extent to which the Supplier is in compliance with the Customer Policies and with **Schedule 13** (Security) and the Supplier will give all assistance reasonably requested in order to facilitate such examination.

- 35.1.3 Except in cases of emergency (including any reasonably suspected breach of the obligations contained in this Agreement or fraud), the Customer shall, where reasonably practicable, give the Supplier at least 30 days' notice of any review or audit under this Section 35, and arrange access at such times and in such a manner as shall be calculated to minimise the effects of such reviews and inspections on the Supplier's performance of its obligations under the Agreement. Customer shall be entitled to conduct a reasonable number of such audits or review (in addition to other specific audit rights granted under this Agreement) each year.
- 35.1.4 The Supplier shall maintain its records in such a manner as to facilitate the review referred to in this Section 35 and describe in those records, in reasonable detail, the activities which are the subject of such records.
- 35.1.5 The Supplier shall, upon request, provide reasonable assistance to the Service Recipient in relation to any challenge or negotiation of the results of any audit or review conducted by an external auditor.
- 35.1.6 For the avoidance of doubt, any examination or inspection by a Service Recipient or its auditors pursuant to this Section shall not constitute a waiver or exclusion of any of the Supplier's obligations or the Customer's rights under this Agreement.

35.2 Costs of Review

- 35.2.1 The Supplier's costs of any review (whether routine or emergency) by a government or regulatory authority shall be borne by the Supplier.
- 35.2.2 The Supplier's costs of any review (of any nature) which is necessary to verify the correction of deficiencies identified in a previous review (including as provided for in Section 35.3.2), shall be borne by the Supplier.
- 35.2.3 The Supplier's costs of up to four reviews (other than reviews falling within Sections 35.2.1 or 35.2.2) in any period of 12 months shall be borne by the Supplier.
- 35.2.4 The Supplier's costs of reviews (whether routine or emergency) other than those within the scope of Sections 35.2.1, 35.2.2 and 35.2.3 shall be borne by the Supplier until the cap specified in Section 35.2.5 is reached and thereafter, shall be payable by the Customer at the relevant Day Rates set out in **Schedule 4** (Charges), subject to the provision of an estimate and regular reporting by the Supplier to the Customer.

- 35.2.5 The cap referred to in Section 35.2.4 for each period of 12 months from the Effective Date or anniversary of the Effective Date, is 20 man days.
- 35.2.6 Save in the circumstances referred to in Section 35.2.7, the Service Recipients' costs of any review shall be borne by the Service Recipients themselves.
- 35.2.7 Where any review (routine or emergency) finds irregularities, material errors or non-compliance on the part of the Supplier or its Subcontractors either with any statutory or regulatory requirements or with the terms of this Agreement, the Parties shall share equally the Service Recipients' costs of such review.

35.3 Consequences of Review

- 35.3.1 The Customer Group Contract Manager will review the findings of any review.
- 35.3.2 If the Customer Group Contract Manager determines, in his or her discretion, that further action is warranted, he or she will send a copy of the review to the Supplier Group Contract Manager. Where the review suggests that the Supplier procedures or controls or state of compliance are unsatisfactory, the two Contract Managers shall agree on a remedial plan and a timetable for achievement of improvements. Following agreement of the remedial plan, the Supplier shall implement that remedial plan in accordance with the agreed timetable, shall confirm its completion by a Notice in writing to the Customer and shall allow the Customer to conduct a further review. The process shall be repeated until the Customer, acting reasonably, is satisfied that the identified problems have been dealt with in a satisfactory manner.
- 35.3.3 Should any review reveal that the Supplier has overcharged the Customer in any respect, the Supplier will promptly reimburse the Customer for the amount of any overcharge.

35.4 Financial Stability

- 35.4.1 From time to time during the Term, the Customer and its professional advisors may undertake a periodic assessment of the financial stability of the Associated Supplier Companies.
- 35.4.2 In the event that at any time and from time to time the Supplier becomes aware of or announces publicly any event giving rise to an actual or potential financial loss either to itself or any company within the Supplier Group which is material to that company, the Supplier shall notify the Customer as soon as possible and in any event within five (5) Business Days after it becomes aware of such an event.

36. Step-In

- 36.1 Without prejudice to the other provisions of this Agreement or to any other remedy that the Customer may have, the Customer may, by giving Notice of not less than seven days to the Supplier ("**Step-In Notice Period**") that it intends to exercise its rights under this Section 36.1 (the "**Step-In Right**"), take such steps itself or engage a Third Party (a "**Step-In Third Party**") to take such steps as it reasonably considers necessary to remedy the circumstances or anticipated circumstances giving rise to the Step-In Right if:
- 36.1.1 there is a material breach, default or non-performance by the Supplier of this Agreement which has or in Customer's reasonable opinion may have a material adverse effect on Customer;
 - 36.1.2 there is proof of fraud being committed in relation to this Agreement;
 - 36.1.3 Customer is entitled to terminate the Agreement pursuant to section 30.1.2 (Termination on Supplier Default) of this Agreement;
 - 36.1.4 a governmental authority advises Customer it must, or it would be prudent to, exercise its step-in rights pursuant to this section 36.
- 36.2 A Step-In Third Party shall not be a Direct Competitor.
- 36.3 The Customer may exercise its Step-in Right at any time after the Step-In Notice Period unless prior to the expiry of the Step-In Notice Period the Supplier can demonstrate to the Customer's satisfaction that it has remedied the circumstances or anticipated circumstances giving rise to the Step-In Right.
- 36.4 The Supplier shall:
- 36.4.1 co-operate fully with the Customer and any Step-In Third Party to facilitate the steps taken;
 - 36.4.2 suspend performance of the Services to the extent that the Customer so requests for the purposes of its exercise of Step-In Rights provided always that, for the avoidance of doubt, the exercise of the Step-in-Right shall not excuse the Supplier from its obligation to provide the Services that are not affected by the failure, or anticipated failure (as the case may be), in accordance with this Agreement or be deemed to frustrate or waive performance of that obligation;
 - 36.4.3 grant and use Commercially Reasonable Efforts to procure that any Third Party grants to the Customer such licences as are reasonably required (for itself or a Step-In Third Party) for the purposes of exercising its rights under this Section 36;
 - 36.4.4 afford (and procure that its Subcontractors afford) to the Customer such co-operation and access to any Customer Systems (so far as within the Supplier's control), Supplier Systems, Supplier Personnel, Supplier IPR, premises,

equipment, documents, information or other items as are reasonably required for the purposes of this Section 36; and

- 36.4.5 not charge Customer for any Service Elements that are partially or fully subject to Step-In.
- 36.5 Following any exercise of Step-In Rights, the Supplier shall be required to put forward proposals to demonstrate to the Customer that it is able to perform its obligations under this Agreement. If the Supplier can at any time demonstrate to the reasonable satisfaction of the Customer (and the Customer will give reasons where it is not so satisfied) that it is able to and will remedy the matter giving rise to the Step-In Right or that the matter giving rise to the Step-In Right has been remedied, then the Customer shall as soon as is reasonably practicable (and with effect from the date and time notified by the Customer in writing) terminate the exercise of its Step-In Rights and remove the suspension of the Supplier's performance of the relevant Services.
- 36.6 Nothing in this Section 36 shall affect the Customer's rights or other remedies accrued or accruing.

37. RECORDS AND DATA RETENTION

- 37.1 The Supplier shall retain all records required to be maintained under this Agreement or by Applicable Law and all property of the Customer and all other Service Recipients, all Customer Data and Confidential Information (that are not transferred to the Customer under any other provisions of this Agreement and have not been so transferred) for the longer of: (a) the period required by Applicable Law; or (b) seven years following the end of the relevant Termination Assistance Period.
- 37.2 The Supplier shall, on or prior to the expiry of the Termination Assistance Period (as appropriate), deliver up to the Customer (or, where requested by the Customer, erase to the standard specified in Section 22.11 with a confirmation of the same): all property of the Customer and all other Service Recipients including an up-to-date copy of the Documentation, all Customer Data and Confidential Information of the Customer Group and any other Service Recipient as well as the embodiment and/or documentation of all Intellectual Property Rights belonging or licensed to the Customer Group (or any member of that group) or any other Service Recipient ("Delivered Up Property"). To the extent that any such Delivered Up Property requires decryption to be read or used by the Customer, the Supplier shall, as part of the Termination Services, decrypt or provide the Customer with the means to decrypt (whether by an encryption key or other appropriate method) the Delivered Up Property and otherwise render and all reasonable assistance requested by the Customer in relation to such decryption.
- 37.3 Where required by the Customer, the Supplier shall share with the Customer all raw data used to create any reports provided to the Customer as part of the Services.

38. SET-OFF

38.1 The Customer may set off sums due to it or to any other member of the Customer Group from the Supplier against sums due from it to the Supplier under this Agreement.

38.2 The exercise of a right to set off pursuant to Section 38.1 shall not amount to a Default.

39. DISPUTE RESOLUTION

39.1 Dispute Resolution

39.1.1 Except where this Agreement expressly provides to the contrary, each dispute arising under, or in connection with, this Agreement will be dealt with in accordance with the provisions of this Section 39.

39.1.2 The immediately preceding Section will be without prejudice to the Customer's rights pursuant to Section 36 and in addition will not prevent a Party from applying for injunctive relief in the case of:

- (a) breach or threatened breach of confidentiality;
- (b) infringement or threatened infringement of its Intellectual Property Rights; or
- (c) infringement or threatened infringement of the Intellectual Property Rights of a Third Party, where such infringement could expose the Party in question to liability.

39.1.3 Any question or difference which may arise concerning the construction, meaning or effect of this Agreement, or any matter arising out of or in connection with this Agreement will in the first instance be referred for resolution under the Escalation Procedure.

39.1.4 If a dispute is not resolved pursuant to the Escalation Procedure then either Party shall be entitled to refer the dispute in question to the Mediation Procedure in accordance with Section 39.2 but if the dispute has not been referred to the Mediation Procedure within ten Business Days of the last meeting under the Escalation Procedure, the Dispute Resolution Procedure shall be deemed to be exhausted in respect of the dispute in question.

39.2 Mediation Procedure

39.2.1 Either Party may propose to the other in writing that structured negotiations are entered into with the assistance of a mediator ("**Mediator**"), in which case the other Party shall be obliged to accept such proposal, subject to the remaining provisions of this Section 39.2.

- 39.2.2 The Mediator will either be agreed upon by the Parties or, in the absence of agreement, appointed by the International Chamber of Commerce.
- 39.2.3 Within seven days of the appointment of the Mediator, the Parties will meet with the Mediator in order to agree a programme for the exchange of any relevant information and the structure to be adopted for the mediation negotiations.
- 39.2.4 Unless concluded with a written legally binding agreement, all negotiations connected with the dispute shall be conducted in confidence and without prejudice to the rights of the Parties in any future proceedings.
- 39.2.5 The Parties may request the Mediator to issue written recommendations, and if the Mediator is willing to make such recommendations and the Parties accept such recommendations or otherwise reach agreement on the resolution of the dispute, such agreement will be reduced to writing and, once it is signed by the authorised representatives of each Party, will be binding on the Parties.
- 39.2.6 In the event that the mediation process in accordance with this Section 39.2 is initiated and the Parties fail to reach agreement in the structured negotiations within 60 days of the appointment of the Mediator or otherwise withdraw from the structured negotiations, then the Mediation Procedure will be deemed to be exhausted in respect of the dispute in question.
- 39.2.7 Each Party shall bear its own costs arising out of the reference of a dispute to mediation. Charges payable to the Mediator will be split equally between the Parties.
- 39.3 **Continued Service Provision.** Nothing in this Agreement shall give the right to the Supplier to suspend the provision of Services during the resolution of a dispute.

40. MODERN SLAVERY LAWS

- 40.1 The Supplier shall, and shall ensure that any person (including any employee, agent, subcontractor or affiliate) who performs Services for and on behalf of the Customer under this Agreement ("**Associated Persons**"), shall:
- 40.1.1 comply with; and
- 40.1.2 not through their acts or omissions put the Customer in breach of,
- the Modern Slavery Act 2015 and all similar national laws intended to prevent slavery, servitude, forced or compulsory labour, or human trafficking occurring in the business or the supply chain.
- 40.2 The Supplier shall have in place, maintain and comply with its own modern slavery policy and related statements that all meet the requirements of the Modern Slavery Act 2015 and all similar national laws intended to prevent slavery, servitude, forced or compulsory

labour, or human trafficking occurring in the business or the supply chain, including but not limited to s.54 of the Modern Slavery Act 2015 ("**Modern Slavery Policy**"). The Supplier shall provide the Customer with a copy of the Modern Slavery Policy upon request.

40.3 The Supplier shall at all times comply with the Modern Slavery Policy. The Supplier shall notify its Associated Persons of the Modern Slavery Policy and use all reasonable endeavours to ensure the Associated Persons comply with its provisions. The Supplier shall notify the Customer immediately in writing if any violation or any suspicion of a violation of the Modern Slavery Policy arises.

40.4 The Supplier represents that it, and its Associated Persons:

40.4.1 have not, and are not, the subject of any actual or threatened legal proceedings involving allegations under the Modern Slavery Act 2015;

40.4.2 are not subject to an investigation or prosecution of an alleged offence under the Modern Slavery Act 2015; or

40.4.3 are not aware of any circumstances within its supply chain that could give rise to an investigation or prosecution of an alleged offence under the Modern Slavery Act 2015; and

40.4.4 to the best of its knowledge and belief, there is no slavery, servitude, forced or compulsory labour, or human trafficking in its supply chain.

41. ANNOUNCEMENTS AND PUBLICITY

Except as required by law or the rules and regulations of each stock exchange upon which the securities of either of the Parties or any of their Group Members are listed or of any other regulatory authority by whose rules or regulations a Party or its Group Member is bound, neither Party shall publish or permit to be published either alone or in conjunction with any other person any press release, information, article, photograph, illustration or any other material of whatever kind relating to this Agreement or the business of the other Party (or its Group Members as relevant) without prior reference to and approval in writing in all cases from the Customer (the request for which shall be subject to the Customer's internal processes) or, as appropriate, the Supplier.

42. COSTS

Except as otherwise provided in this Agreement, each Party will pay its own costs and expenses relating to the negotiation, preparation, execution and implementation of this Agreement and of each document referred to in it.

43. VARIATIONS AND FURTHER ASSURANCE

43.1 Other than Changes agreed in accordance with the Change Control Procedure, no amendment, variation or other change to this Agreement shall be valid unless:

43.1.1 it is made in writing; and

43.1.2 signed by the duly authorised representatives of the Parties.

43.2 Any purported amendment, variation or change to this Agreement other than in accordance with this Section 43 shall be null and void.

43.3 Each Party agrees at its own expense to enter into, execute or procure to be executed, without limitation, whatever other agreement, document, consent and waiver and to do all other things which shall or may be reasonably required from time to time to complete and deliver the obligations and benefits set out in this Agreement.

44. SEVERABILITY AND WAIVER

44.1 If any provision or any part of this Agreement is found by any court or administrative body of competent jurisdiction to be illegal, invalid or unenforceable the illegality, invalidity or unenforceability of such provision or part provision shall not affect the other provisions of this Agreement or the remainder of the provisions in question which shall remain in full force and effect. The Parties shall negotiate in good faith in order to agree to substitute for any illegal, invalid or unenforceable provision a valid and enforceable provision which achieves to the greatest extent possible the economic, legal and commercial objectives of the illegal, invalid or unenforceable provision or part provision. To the extent that such a substitute cannot be found then any necessary changes to the Agreement will be dealt with in accordance with the Change Control Procedure. This Section 44.1 shall not limit the Customer's rights under Section 29.4.

44.2 No failure to exercise or enforce, or delay in exercising or enforcing, any right, remedy or provision of this Agreement, shall operate at law or in equity as a waiver of such right, remedy or provision nor shall any single or partial exercise or enforcement of any right, remedy or provision preclude any other or further exercise or enforcement of such right, remedy or provision or the exercise or enforcement of any other right, remedy or provision.

45. NOTICES

45.1 Any notice (a "**Notice**") given under or in relation to this Agreement will be in writing in the English language and signed by or on behalf of the Party giving it and will be served by delivering it personally or by registered post to the address and for the attention of the relevant Party set out in Section 45.4 (or in the event that another address has been notified by a Party in accordance with and making specific reference to this Section 45 then to that other address).

45.2 Any such Notice will be deemed to have been received:

45.2.1 if delivered personally, at the time of delivery;

45.2.2 in the case of registered post, five (5) Business Days from the date of posting it, provided that if deemed receipt occurs before 9am on a Business Day the Notice will be

deemed to have been received at 9am on that day, and if deemed receipt occurs after 5pm on a Business Day, or on a day which is not a Business Day, the Notice will be deemed to have been received at 9am on the next Business Day.

45.3 Each Party may also send general communications (unless these are Notices) to the other Party by e-mail.

45.4 The addresses of the Parties for the purposes of Section 45.1 are:

Customer:

Address:	Avenue de Rhodanie 50, 1007 Lausanne, Switzerland
For the attention of:	Director Global Procurement IMS
Copy to:	Director Global Procurement IMS (by email) Sr Manager Global Account Category IT-PS (by post and email)

The Supplier:

Address:	GLOBAL EPROCURE LIMITED, Company number 06479575, 1st Floor, 24 Cornhill, London EC3V 3ND ("GEP London") Supplier irrevocably appoints GEP London as its agent to receive for and on its behalf any service of process in England in any action or proceeding in relation to this Agreement
For the attention of:	Legal Department
Copy to:	Legal@gep.com

46. EXPORT REGULATIONS

This Agreement shall be subject to any government laws, regulations, orders or other restrictions as may be relevant in the context of the Services regarding export from a country of computer hardware, software, technical data or derivatives of such hardware, software or technical data and the Supplier and Subcontractors, the Customer and the Service Recipients shall comply with any such governmental laws, regulations, orders or other restrictions as are applicable to them in the context of the Services. The provisions of this Section 46 will survive the expiry or termination of this Agreement.

47. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, will be an original, and all the counterparts together will constitute one and the same instrument.

48. NO PARTNERSHIP

48.1 Nothing in this Agreement shall be construed as establishing or implying any partnership or joint venture between the Parties or their respective Group Members or any Service

Recipient or any form of legal association that would impose liability upon one of them for the act or failure of the other or any sort of fiduciary relationship or duty between them and, except as expressly stated in this Agreement, nothing in this Agreement shall be deemed to constitute any Party as the agent of any other Party or authorise a Party to:

- 48.1.1 incur any expenses on behalf of the other Party;
- 48.1.2 enter into any engagement or make any representation or warranty on behalf of the other Party;
- 48.1.3 pledge the credit of or otherwise bind or oblige the other Party; or
- 48.1.4 commit the other Party in any way whatsoever without in each case obtaining the other Party's prior written consent.

49. ENTIRE AGREEMENT

- 49.1 This Agreement constitutes the entire agreement and understanding between the Parties in respect of the matters dealt with in it and supersedes, cancels and nullifies any previous agreement or communications, whether in writing or communicated in any other form (including orally) between the Parties relating to such matters notwithstanding the terms of any such previous agreement or arrangement expressed to survive termination.
- 49.2 Each Party acknowledges and agrees that in entering into this Agreement it does not rely on, and shall have no remedy in respect of, any statement, representation (other than for fraudulent misrepresentation), warranty or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement as a warranty. The only remedy available to it for breach of the warranties shall be for breach of contract under the terms of this Agreement.

50. SURVIVAL

The provisions of Sections 21, 22, 23, 24, 25, 26, 27, 31, , 35, 37, 38, 41, 51, and 52, this Section 50, Schedule 22 and any other provision which by its nature appears intended to survive, shall survive the expiry or earlier termination of this Agreement.

51. GOVERNING LAW AND JURISDICTION

51.1 Governing Law

- 51.1.1 This Agreement shall be governed by and construed in accordance with the laws of Switzerland without regard to its conflict of laws principles. The Parties hereby agree that the United Nations Convention on the International Sales of Goods shall not apply to this Agreement.

51.2 Arbitration


- 51.2.1 In the event that a dispute dealt with under Section 39 has not been resolved at the time that the Mediation Procedure is deemed exhausted under Section 39.2, the dispute shall be submitted to binding arbitration under the ICC Rules and in accordance with the International Bar Association Rules on the Taking of Evidence in International Commercial Arbitration.
- 51.2.2 The Parties shall appoint a sole arbitrator in accordance with the ICC Rules within seven (7) days of the Mediation Procedure's being deemed exhausted or, if the Parties fail to agree on the appointment of an arbitrator within such seven (7) day period, the arbitrator shall be appointed by the President of the London Court of International Arbitration (on the application of either Party). The person chosen to serve as an arbitrator shall be a neutral and impartial party who has had training and experience as an arbitrator and, to the extent feasible, shall have experience in the information technology industry or in disputes involving the information technology industry.
- 51.2.3 The arbitrator shall permit such limited discovery of information related to the dispute in arbitration as he shall determine is appropriate in the circumstances, taking into account the needs of the Parties to the dispute to secure information necessary to present their case consistent with the objective of making the arbitration expeditious and cost-effective. The scope of the limited disclosure process shall be agreed upon at the time of the drafting of the terms of reference of the arbitrator.
- 51.2.4 The arbitration venue shall be Lausanne, Switzerland. The language of the arbitration shall be English.

52. NON-SOLICITATION

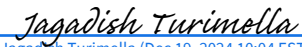
- 52.1 Save for where such action results from a public recruitment process, by law or as agreed between the Parties, each Party agrees not to solicit the employment of any of the Personnel of the other Party at any time engaged directly in Services covered by this Agreement during the term of this Agreement and for twelve (12) months thereafter. If either Party employs such Personnel in breach of this condition then the soliciting Party expressly agrees to pay the other, as a referral fee, a sum equal to twelve (12) months' gross salary offered by the new employer to the relevant Personnel unless otherwise agreed in writing between the Parties.

[signatures over the page]


SIGNED for and on behalf of **Philip Morris Products SA** (signatory 1)

Signed: 
STEFANO VITALI (Dec 19, 2024 15:55 GMT+1)
Name: STEFANO VITALI
Position: M&S Procurement
Date: Dec 19, 2024

SIGNED for and on behalf of **NB Ventures, Inc. d/b/a GEP**

Signed: 
Jagadish Turimella (Dec 19, 2024 10:04 EST)
Name: Jagadish Turimella
Position: Chief Operating Officer
Date: Dec 19, 2024

SIGNED for and on behalf of **Philip Morris Products SA** (signatory 2)

Signed: 
Jean Wimmerlin (Dec 19, 2024 14:10 GMT+1)
Name: Jean Wimmerlin
Position: authorized signatory
Date: Dec 19, 2024

Schedule 1
DEFINITIONS

In this Agreement, unless the context requires otherwise: (i) the terms defined in **Schedule 1** (Definitions) have the meanings ascribed to them in that Schedule; and (ii) the terms defined in the main body of the Agreement and other Schedules shall be deemed to be set out in this Schedule.

"Agreement"	means this agreement, together with all Schedules, their Appendices, as such are amended from time to time
"Affiliate"	means an entity that, either directly or indirectly, controls, is controlled by, or is under common control with, the relevant entity, where "control" means the ability to direct the affairs of another by ownership, contract or otherwise.
"Applicable Law"	means all laws (and other instruments having the effect of law) which concern the Supplier's obligations and duties under this Agreement, including those that apply to the provision of the Services and all relevant mandatory collective labour agreements
"Approved Subcontractors"	has the meaning given in Schedule 10 (Approved Subcontractors)
"Authorization"	means valid authorization granted to an individual in accordance with the provisions of this Agreement. The terms "authorize" and "authorized" shall be construed accordingly
"Background IPR"	<p>means all Intellectual Property Rights owned by a Party, its respective Group Members, or (in the case of the Customer) a Service Recipient, which such Party, Group Member or Service Recipient either:</p> <ul style="list-style-type: none"> • owns as at the Effective Date; • in the case of the Supplier or any member of the Supplier Group, which it acquires subsequently or which is developed by it or on its behalf otherwise than in the course of, or for the purpose of, performing the Services; or is developed by Supplier for the general use of its customers, provided that no such development shall be drawn from or incorporate the Confidential Information or Intellectual Property Rights of Customer; or • in the case of the Customer or any Customer Affiliate or any Service Recipient, which it acquires subsequently or which is developed by it or on its behalf outside of this Agreement, <p>and which are to be used in whole or in part in connection with the Services provided under this Agreement</p>

"Business Continuity"	means the set of business-oriented processes and procedures (of which IS Continuity and ISO Disaster recovery are a part) that ensure the critical business and/or service functions of the Supplier which support the provision of the Services can continue with agreed maximum levels of interruption and essential change, when loss, damage or failures of or to the Supplier's facilities occur
"Business Day"	means either: (i) where used in relation to the central operation or governance of this Agreement, any day other than a Saturday, a Sunday or any public or bank holiday in the location in which the Customer has its principal place of business; or (ii) where used in the context of Services provided to Service Recipients (including calculating performance against Target Service Levels), then any day that banks are generally open for business in the relevant Customer Country
"Business Hours"	means 8am – 6pm in each Customer Country
"Change Control Procedure"	means the procedure for control of change set out in Schedule 17 (Change Control)
"Change Control Note or CCN"	means a document substantially in the form set out in Appendix A to Schedule 17 (Change Control)
"Change"	means (i) any modification or other change in the nature, level and/or extent of the Services or Service Levels (including the elements and/or frequency of any task performed as part of the Services), (ii) any change to the other terms of this Agreement, and (iii) any change in the means or manner in which the Services are provided.
"Charges"	means the charges levied by the Supplier in accordance with this Agreement and set out in Schedule 4 (Charges)
"Customer Country"	means any country or jurisdiction in which a Service Recipient is located and which is in a Region supported under this Agreement (or added to the scope of the Agreement)
"Commercially Reasonable Efforts"	means taking such steps and performing them in such a way as a well-managed organization would undertake with the aim of achieving a particular desired result for its own benefit, assuming such organization was acting in a commercial, prudent and reasonable manner
"Comparison Group"	has the meaning set out in paragraph 3.1.6 of Schedule 18 (Benchmarking)
"computer"	includes all forms of computational or electronic storage device

	including mobile devices such as laptops, tablets and smartphones
"Confidential Information"	<p>means all information (whether in written, oral, or electronic or other format) which relates to the technical, financial and business affairs, customers, Suppliers, products, developments, operations, processes, data, trade secrets, design rights, know-how and personnel of:</p> <ul style="list-style-type: none"> • a Party or its Group Members or any Service Recipient; • a Third Party in respect of which the Discloser is obliged to keep the information confidential; and • where the Discloser is the Customer or any Service Recipient (or any combination of the Customer and any Service Recipients), any other Service Recipient not being a member of the Customer Group, <p>in each case which is disclosed to or otherwise learned by the other Party (or its Group Member or a Service Recipient in the case of the Customer) in the course of or in connection with this Agreement (including such information received during negotiations, site visits and meetings in connection with this Agreement) provided that:</p> <ul style="list-style-type: none"> • the Discloser treats such information as confidential and a reasonable person would consider such information to be confidential based upon the nature and context of the information; or • the information is marked confidential, proprietary or with words of similar import or otherwise indicated as confidential at the time of disclosure
"Consultation"	means a consultation to be undertaken by a member of the Customer Group with its employees in connection with the impact or potential impact of the bringing into effect of this Agreement in a Customer Country.
"Contract Manager"	has the meaning given in Schedule 9 (Relationship Management and Governance)
"Control"	means the ability (whether directly or indirectly), to direct the affairs of the other by means of ownership, contract or otherwise, and unless expressly stated otherwise derivatives of "Control" shall be construed accordingly

"Customer Data"	means any information, in whatever form, which is stored manually or electronically and in the case of the latter is held on, entered into, processed by, or retrievable from the Customer Dedicated Systems (or any part thereof) or which passes through the Customer Dedicated Systems (or any part thereof) with or without modification, including any Customer Personal Data
"Customer Group Contract Manager"	has the meaning given in Schedule 9 (Relationship Management and Governance)

"Customer Group"	means the Customer and the Customer Affiliates, and "member of the Customer Group" shall be interpreted accordingly. Unless the context otherwise requires this shall include a reference to all Service Recipients.
"Customer IPR"	means all Background IPR owned by the Customer and/or any Service Recipient and all Intellectual Property Rights owned by the Customer pursuant to this Agreement
"Customer Personal Data"	means Personal Data that either: (i) the Customer, or a person acting on its behalf, provides to the Supplier, or permits the Supplier to access, in connection with the Agreement; or (ii) the Supplier creates in providing the Services.
"Customer Personnel"	means any person employed by the Customer or other Service Recipient
"Customer Policies"	has the meaning given to it in Schedule 11 (Policies and Standards), as supplemented or amended in accordance with Section 7.3
"Customer Systems Data"	means any information, in whatever form, which is stored manually or electronically and in the case of the latter is held on, entered into, processed by, or retrievable from the Customer Systems or Customer Dedicated Systems or both (or any part of either) or which passes through the Customer Systems and/or Customer Dedicated Systems (or any part thereof) with or without modification, including any Customer Personal Data
"Customer Systems"	means Systems (or any part of such Systems) in which the Intellectual Property Rights are owned by or licensed to Customer Group that are to be used in whole or in part in connection with the Services provided under this Agreement, including knowledge bases relating to applications and procedures specific to the Customer Group and/or Service Recipients
"Database Administrator"	means an individual of the Supplier who performs, as part of his designated tasks, system administration of databases

"Day Rates"	has the meaning given in Schedule 4 (Charges)
"Decryption Notice"	has the meaning given in Section 11.2.1
"Default"	means any material breach by a Party of its obligations under this Agreement or any act or omission, negligence or statement of either Party, its employees (acting within the course of their employment), agents or Subcontractors in connection with or in relation to this Agreement and in respect of which such Party is liable to the other

"Defence"	has the meaning given in Section 26.1.2
"Deliverable"	means any deliverable identified as such in this Agreement
"Dependency"	has the meaning given to it in Section 12.1
"Designated Supplier Premises"	means the office locations listed in paragraph 3.5 of Schedule 2 (Services)
"Direct Competitor"	means each of the following: <ol style="list-style-type: none"> 1) Accenture 2) International Business Machines (IBM) 3) Cap Gemini S.A. 4) BCG (procurement related services only) 5) McKinsey (procurement related services only) 6) AT Kearney (procurement related services only)
"Disaster Recovery Plan"	means the plan of that name established, tested and maintained in accordance with Schedule 16 (Business Continuity)
"Discloser"	has the meaning given in Section 22.1
"Dispute Resolution Procedure"	means the combination of the Escalation Procedure, mediation in accordance with Section 39 and reference to arbitration in accordance with Section 51.2
"Divested Entity"	has the meaning given in Section 20.1
"Documentation"	means documentation describing the Services, operating manuals, process definitions and procedures which relate to the Services, all as required to provide the Services during the Term
"Effective Date"	means the date of final signature of this Agreement
"Employee Taxes"	has the meaning given in Section 16.14

"Employment Claims"	means any and all losses, liabilities, costs (including the costs of reasonable legal and other expert advice), charges and expenses arising out of or connected with employment or the employment relationship (or the termination thereof), including those arising out of any actions, proceedings, claims and demands
"Employment Costs"	means all wages, salaries, emoluments and other benefits, holiday pay entitlements and accrued holiday entitlements, tax deductions, social security contributions, pension contributions and any other payments or costs relating to a Non Authorized Employee or Unauthorized

	Employee (as appropriate) whether payable by the employer or employee
"Employment Directive"	means the European Community's Directive 2001/23/EC on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfer of undertakings, businesses or parts of undertakings or businesses (as amended or replaced from time to time)
"Employment Regulations"	means, in respect of: <ul style="list-style-type: none"> • any employees in a Member State, the Employment Directive and any applicable legislation or regulation in that Member State (as amended or replaced from time to time) having the effect of implementing the Employment Directive in that Member State; and • any employees in a jurisdiction which is not a Member State, any applicable legislation or regulation in that jurisdiction (as amended or replaced from time to time) having the effect of implementing employment laws similar to those described in the Employment Directive
"Escalation Procedure"	means the method of escalating disputes between the Parties as set out in Schedule 9 (Relationship Management and Governance)
"EUR"	means the European Euro
"Euro Compliant"	means compliant with Applicable Law relating to the EUR in any jurisdiction from time to time

"Event of Force Majeure"	means: <ul style="list-style-type: none"> • war, civil war or armed conflict; • nuclear, chemical or biological contamination; • catastrophic accident in the air, or on land, or any act of terrorism; or • other events similar to those set out above, provided that such events are beyond the reasonable control of the Parties to this Agreement
"Exit Management Plan"	means the exit plan to be produced and updated in accordance with Schedule 15 (Exit Management)
"PROCUREMENT OPERATIONS" or "Global Capability Centre"	means the Customers shared service operating model to support the procurement Source-to-Contract activities through delivery of services via global capability centres

"Good Industry Practice"	means, at any time, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected at such time from a skilled and experienced provider of services similar to the Services seeking in good faith to comply with contractual obligations and complying with Applicable Law
"Good Value"	has the meaning set out in paragraph 1.4 of Schedule 18 (Benchmarking)
"Group Member"	means a member of the Supplier Group and/or a member of the Customer Group (as the context requires)
"Impact Assessment"	means the impact analysis information in a CCN
"Indemnified Party"	means the Party having the benefit of the indemnity
"Indemnifying Party"	means the Party liable to indemnify another
"Intellectual Property Rights" or "IPR"	means all patents, trade and service marks, trade names, domain names, rights in designs, copyrights, moral rights, topography rights, rights in databases, in all cases whether or not registered or registrable in any country in the world for the full term of such rights including any extension or renewal of the terms of such rights and including registrations and applications for registration of any of these and rights to apply for the same and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these anywhere in the world
"Key Personnel"	means the personnel listed in Schedule 21 together with any replacement agreed in accordance with Section 10.1.1

"Local Agreement"	means a local agreement entered in to pursuant to Schedule 19 of this Agreement
"Material Non-Public Information"	<p>means Confidential Information pertaining to Customer or its Affiliates provided that the Parties agree that the following shall be expressly designated as Material Non Public Information:</p> <ul style="list-style-type: none"> • historical and forward-looking business and financial information, information on legal proceedings, status of regulatory submissions and approvals, and strategy and business developments, • information concerning Customer's business operations or affairs, including research and development efforts, inventions, drawings, models, trade secrets, know-how, recipes and formulae, products, processes, techniques, equipment, marketing, market opportunities, plans, intentions, relationships with suppliers and customers,

	<p>finances, personnel, computer software, and algorithms; and</p> <ul style="list-style-type: none"> • similar information of third parties (including Affiliates) that Customer maintains in confidence; or • any combination of the foregoing.
"Measurement Period"	means the measurement period stipulated in the Service Level Table for each Service Level Item during which the actual performance against each Service Level is measured and reported by the Supplier to the Customer
"Mediation Procedure"	has the meaning given in Section 39.2
"Mediator"	has the meaning given in Section 39.2
"Member State"	means a member state of the European Union
"Minimum Service Level"	means the minimum level of acceptable performance by the Supplier in its provision of the Services, expressed in percentage terms and set out in the Service Level Table in respect of each Service Level Item
"New Entity"	has the meaning set out in Section 20.1.2
"Non-Customer System"	means any system that is not part of the Customer Dedicated Systems, the Supplier Applications or the systems within the Customer Network
"Notice"	has the meaning given in Section 45.1

"Particulars of Processing"	means the basic information about the Processing taking place under this Agreement, and shall include the: (i) Subject Matter of the processing; (ii) duration of the processing; (iii) nature and purpose of the processing; (iv) type of personal data being processed; and (v) categories of data subjects.
"Parties"	means the Customer and the Supplier
"Party"	means the Customer or the Supplier

"Project Agreement"	means the agreement between a member of the Customer Group and a member of the Supplier Group entered into in accordance with Schedule 20 (Project Agreement);
"Rate Card"	has the meaning set out in Schedule 4 (Charges)
"Recipient"	has the meaning given in Section 22.1
"Regulatory Approvals"	means, in relation to a particular Party, regulatory and governmental licenses, clearances, approvals and permits applicable to that Party, its industry and its personnel that are necessary to provide or, as appropriate, receive the Services
"Relationship Committee"	has the meaning "Annual Business Review" given in Schedule 9 (Relationship Management and Governance)
"Relief Event"	means any failure by the Customer to comply with a relevant Dependency (save where, and to the extent that such failure has been caused or contributed to by any act, omission, breach or default by the Supplier, any member of the Supplier Group, and/or anyone acting on its (or their) behalf), in circumstances where the Supplier has otherwise complied with all of its obligations under this Agreement including Section 13
"Replacement Services"	means services equivalent to the Services (or part of such Services) to be performed by a Replacement Supplier following expiry or termination of this Agreement
"Replacement Supplier"	means any Third Party that the Customer and/or any other Service Recipient appoints upon expiry or termination of this Agreement to undertake the Replacement Services
"Request for Proposal or RFP"	means the Customer's request for proposal dated on or around 15 February 2021

"Required Language"	Means English and the language listed in this Agreement or a Local Agreement or, where more than one language is listed against that this Agreement or a Local Agreement, the language in which that particular member of the Supplier Personnel is allocated to support (and where requested such allocation to be provided by Supplier).
"Required Language Proficiency"	means each Supplier Personnel performing the Services shall have professional working proficiency in the language required based on the region of assignment
"Sales Taxes"	has the meaning given in Section 16.4
"SDN List"	means the United States Treasury Department's Specially Designated

	Nationals List and any other similar list maintained by the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority
"securities law"	means the US Sarbanes-Oxley Act of 2002 and any resultant, similar or replacement legislations, rules or guidance in the United States of America or any other jurisdiction
"Security Agency"	has the meaning given in Section 11.2.1
"Service Credit"	means a credit (with monetary value) payable by the Supplier to the Customer in accordance with Schedule 3 (Service Levels and Service Credits) for failure to achieve the relevant Minimum Service Levels
"Service Element"	means all or any (as the context so requires) defined subsets of the Services (which for the First Local Agreement are as set out in Paragraph 4 of Schedule 2)
"Service Handbook(s)"	means the Service Handbook(s) prepared by the Supplier pursuant to Schedule 2 (Services)
"Service Level Default"	means the failure by the Supplier to meet a Minimum Service Level
"Service Level Item"	means an individual service level item as listed in the Service Level Table
"Service Level Table"	means the table contained in Appendix A to Schedule 3 (Service Levels and Service Credits) specifying amongst other things the Service Level and the Service Credit (where applicable) in relation to each Service Level Item
"Service Levels"	means the Minimum Service Levels and the Target Service Levels

"Service Management Committee"	has the meaning "Monthly Service Committee" given in Schedule 9 (Relationship Management and Governance)
"Service Recipient Premises"	means premises occupied by a Service Recipient
"Service Recipient"	means: any member of the Customer Group, and any third party, which is identified by the Customer from time to time as a Service Recipient authorized by the Customer to receive (and to allow its Users to receive) the benefit of the Services; and any other third party, where such party is agreed pursuant to the Change Control Procedure to receive (and to allow its Users to receive

	the benefit of the Services)
"Services Know-How"	means business operation procedures, methodologies and information relating to or which describe the provision of the Services and Service Recipient processes whether common across countries and specific to any particular country (including the local technical environment (in particular software, Third Party relationships and policies and procedures))
"Services"	means (i) the services and activities described in this Agreement (including in Schedule 2, the Transition Services, the Transformation Services, and the Termination Services), together with any ancillary or minor services, functions or responsibilities not described in this Agreement but which are reasonably required for or related to the proper performance and provision of the services and activities described in this Agreement; and (ii) all other services which are to be performed by and all the other obligations of the Supplier hereunder
"SOPs"	Means the standard operating procedures provided by Customer or required to be produced by Supplier (and approved by Customer)
"Statutory Instances"	means all relevant regulatory and Government bodies in a Customer Country including those listed in the Local Agreement in relation to such Customer Country
"Step-In and Step-In Rights"	means those rights as defined in Section 36.1
"Step-In Third Party and Step-In Notice Period"	has the meaning given in Section 36.1

"Subcontractor"	means a Third Party contracted to the Supplier (or to another sub-contractor to the Supplier) which provides goods and/or services to the Supplier (or such sub-contractor) for the purposes of the Services including those subject to approval in accordance with Section 33.2
"Supplier Approved Personnel"	means those employees of Supplier identified as Supplier Approved Personnel in this Agreement or a Local Agreement or any other employees of Supplier expressly approved in writing (including by e-mail) by Customer.
"Supplier Expenses Policy"	has the meaning given to it in Schedule 4
"Supplier Group"	means the Supplier and all Associated Supplier Companies collectively
"Supplier IPR"	means all Background IPR owned by the Supplier Group

"Supplier Personnel"	means employees, contractors and agents of the Supplier or any Supplier Affiliate or any Subcontractor
"Supplier Premises"	means all premises and land occupied by the Supplier Group wholly or partly for the purposes of providing the Services
"Supplier Software"	means the software owned or provided by the Supplier under or in connection with this Agreement
"Supplier Systems"	means Systems (or any part of such Systems) in which the Intellectual Property Rights are owned by or licensed to the Supplier Group to be used in whole or in part in the provision of Services
"Systems Administrator"	means an individual of the Supplier who performs, as part of his designated tasks, system administration of software and/or hardware
"Systems"	means computer programs, data, databases, the tangible media on which they are recorded, and their supporting documentation including input and output format, program listings, narrative descriptions, source code, object code, algorithms, logic diagrams, development and design specifications, operating instructions, training materials and user manuals
"Target Service Level"	means the target service levels in respect of each Service Level Item set out in the Service Level Table
"Term"	means the period during which this Agreement is in effect being up to and including the Initial Term and the Renewal Term (if applicable) as set out in Section 3 (including where the context so requires any Termination Assistance Period)

"Termination Services"	means the Supplier obligations in relation to the termination or expiry of this Agreement as set out in Schedule 15 (Exit Management) and the applicable Exit Management Plan
"Termination Assistance Charges"	means the charges calculated in accordance with Schedule 15 (Exit Management) and payable by the Customer for the Termination Services
"Termination Assistance Period"	has the meaning given to it in Schedule 15 (Exit Management)
"Termination Charges"	has the meaning given to it in Schedule 4 (Charges)
"Terms and Conditions"	means this Agreement, excluding its Schedules and Appendices

"Third Party IPR"	means Intellectual Property Rights (including Intellectual Property Rights in a System) owned by or licensed by (as licensor) a Third Party
"Third Party Supplier"	means a Third Party provider of services to the Customer and/or any Service Recipient other than the Supplier
"Third Party"	means any entity (including all Statutory Instances) other than any member of the Customer Group, the Service Recipients, the Supplier or the Associated Supplier Companies
"Transition"	has the meaning given in Schedule 6 (Transition)
"User"	means any person who is authorized by a Service Recipient to use the Services
"Virus"	means any "virus" or "worm", "trojan horse", "trapdoor", "software switch", "time bomb" or "logic bomb", "disabling code" or "disabling routines", "expiry dates", "protect codes," "data destruct keys" or any other software or hardware generally classified as "malicious code" or any other thing or device which (i) is detectable by state-of-the-art commercially available "malicious code" protection or similar software (for example the software provided by McAfee, Norton or Trend Micro) and (ii) may impair or otherwise adversely affect the operation of any computer, prevent or hinder access (or circumvent, directly or indirectly, access controls) to any program or data, impair the operation of any program or the reliability of any data (whether by rearranging the same within the computer or any storage medium or device or by altering or erasing the program or data in whole or in part, or otherwise)

"Withholding Tax"	has the meaning given in Section 16.11 and
"Work Products"	means all designs, drawings, specifications, documentation (including any Service Handbook), audio and video recordings, reports, training materials, inventions, discoveries and other items created by the Supplier or delivered by the Supplier to any member of the Customer Group in the provision of the Services (including any Deliverables but excluding the Customer Materials) (each a "Work Product")

Schedule 2 Services

1. DEFINITIONS

1.1 **“Bidding Threshold”** or **“Competitive Bidding Threshold”** (CBT) means a one-off or aggregated annual amount of Spend above which goods or services must be purchased only by using one of the Supplier selection methods with involvement of Procurement. The financial amount of such threshold is as set out in the relevant Customer Policy (as at the Effective Date being Appendix 1 to PMI 29 G1)

1.2 **“Strategic Demand”** and **“Tactical Demand”** means the Customer's business demand for goods and services from Third Party Vendors, where such:

- Strategic Demand results in strategic Spend that is typically considered high in complexity or business criticality and can represent diverse demand or high value project based demand; or
- Tactical Demand results in tactical Spend that is typically considered low in complexity or business routine and can represent commoditized demand or low value spot demand

1.3 **“Strategic Sourcing Project”** means those Sourcing Projects associated with Strategic Demand for which Customer has determined:

- the project complexity is classified as High; or
- the project complexity is classified as Medium and spend is greater than 5 times the Bidding Threshold,

and such projects are managed by the Customer procurement team for which Supplier provides Sourcing and Contracting Process Support.

1.4 **“Tactical Sourcing Project”** means those Sourcing Projects associated with Tactical Demand for which Customer has determined:

- the project complexity is classified as Low; or
- the project complexity is classified as Medium and the spend is less than 5 times the Bidding Threshold,

and such projects are managed end-to-end by Supplier.

1.5 **“Working Hours”** means the working hours set out in the following tables 1C and 1D:-

Working Hours - MEA-CIS

Country	Languages	Other comments/exceptions
Algeria	Arabic, French	English coverage till 5 PM CET from India DC resource
Arab Emirates	English, Arabic	English coverage till 5 PM CET from India DC resource
Egypt	English, Arabic	English coverage till 5 PM CET from India DC resource
Jordan	English, Arabic	English coverage till 5 PM CET from India DC resource
Kuwait	English, Arabic	English coverage till 5 PM CET from India DC resource
Lebanon	English, Arabic	English coverage till 5 PM CET from India DC resource
Morocco	English, Arabic, French	English coverage till 5 PM CET from India DC resource
Tunisia	English, Arabic, French	English coverage till 5 PM CET from India DC resource
Turkey	English, Turkish	English coverage till 5 PM CET from India DC resource
Israel	English, Hebrew	English coverage till 5 PM CET from India DC resource
Armenia	English, Armenian	English coverage till 5 PM CET from India DC resource
Georgia	English, Georgian	English coverage till 5 PM CET from India DC resource
Kazakhstan	English, Russian	English coverage till 5 PM CET from India DC resource
Ivory Coast	English, French	English coverage till 5 PM CET from India DC resource
Nigeria	English	English coverage till 5 PM CET from India DC resource
Reunion	English, French	English coverage till 5 PM CET from India DC resource
Senegal	English, French	English coverage till 5 PM CET from India DC resource
South Africa	English	English coverage till 5 PM CET from India DC resource
Tanzania	English	English coverage till 5 PM CET from India DC resource

GEP Working Week for all Delivery Centres - Monday - Friday

Working hours for Romania DC - 08.00 AM- 17.00 PM Local time, All non-English languages covered from Romania

PMI working week differs from GEP

Based on GEP's experience with other clients served in these regions for similar scope, the team has been successfully able to deliver and exceed client expectations working within the working days of the resource base location (ie Romania or India), with no impact to service quality or timelines. Typically, all stakeholder and supplier meetings are planned for Mon-Thursday. On Friday the resource will focus on execution work that don't need alignment with suppliers of business. The requests which come in on Sunday, can be addressed by GEP on Monday on priority basis. As mentioned in the Israel support SOW, if the need is urgent, we can request the resource to make an exception to cover Sunday. Alternatively, (after further evaluation during transition), if English support on Sunday is okay for all/most countries, we can discuss the possibility of covering this from India

Table 1C: Working hours -MEA-CIS

Working Hours - LAC

Country	Languages	Other comments/exceptions
Aruba		English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Canada	English, French	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource French coverage till 11:00 AM EST from Romania DC
Costa Rica	English, Spanish	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Dominican Republic	English, Spanish	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
El Salvador	English, Spanish	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Guatemala	English, Spanish	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Mexico	English, Spanish	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Nicaragua	English	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Panama	English	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Netherlands Antilles	English	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Argentina	English, Spanish	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Brazil	English, Portuguese	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Chile	English, Spanish	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Colombia	English, Spanish	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Ecuador	English, Spanish	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Paraguay	English, Spanish	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Peru	English, Spanish	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Uruguay	English, Spanish	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed
Venezuela	Spanish	English coverage till 1:00 PM EST from India DC resource, picked up by Mexico DC resource thereafter if needed

Table 1D: Working hours -LAC

GEP Working Week for all Delivery Centres - Monday - Friday
Working hours for Mexico and Brazil DC DC - 08.00 AM- 17.00 PM Local time
French coverage - shared with MEA CIS FTE
English Coverage - shared with MEA CIS FTE

2. INTRODUCTION

- 2.1 This Schedule sets out the Services to be provided by the Supplier and outlines the Supplier and Customer responsibilities in relation to the Services. The Supplier shall perform the Services in accordance with the terms of the Agreement, the SOPs, Customer Policies, and this Schedule.
- 2.2 Anything referenced in this Schedule as a Customer "responsibility" or similar means it is a retained scope of activity that is not within the Services (but is not a Dependency).
- 2.3 In providing the Services, the Supplier shall take all steps necessary to avoid or minimize any disruption to Customer's business operations.

3. Scope

- 3.1 The scope of the Services includes:
 - 3.1.1 the activities set out in this Schedule 2; and
 - 3.1.2 the activities set out in the SOPs; and
 - 3.1.3 any ancillary or minor services, functions or responsibilities not described in this Agreement but which are reasonably required for or related to the proper performance and provision of the services and activities described in this Agreement.
- 3.2 The ancillary or minor services, functions or responsibilities within the scope of Paragraph 3.1.3 shall include (but without limitation) any such tasks that:
 - 3.2.1 were performed by Customer personnel (who were, prior to the transfer to Supplier, performing the activities that fall within the scope of the Services under Paragraph 3.1.1 and Paragraph 3.1.2); and
 - 3.2.2 which are (or which should reasonably have been) identified during Transition.
- 3.3 [not used]
- 3.4 These are Services Supplier shall provide if required by Customer, but Customer is not obliged to use Supplier exclusively for such Services.
- 3.5 Customer Countries and Required Languages
 - 3.5.1 The following table sets out:

the Customer Countries and the Required Languages in scope with effect from the Amendment Effective Date

PMI Region supported	Supplier Delivery Center	Countries Supported	Required Languages
APAC	Mumbai, India	Philippines, Hong Kong, Australia, Pakistan, India, Singapore, New Zealand, Bangladesh	English, Urdu, Bangla
APAC	Surabaya, Indonesia	Indonesia, Malaysia, Vietnam, Thailand	Bahasa, Thai, Vietnamese, English
APAC	Dalian, China	Japan, South Korea, Taiwan, China	Japanese, Korean, Chinese, English
LAC	India ^[1]	Canada, Brasil, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Venezuela, Aruba, El Salvador, Netherlands Antilles, Nicaragua, Panama, Peru, Mexico, Argentina, Chile, Paraguay, Uruguay	English
LAC	Romania ^[1]	Canada	French
LAC	Brasil	Brasil	Portuguese
LAC	Mexico	Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Venezuela, Aruba, El Salvador, Netherlands Antilles, Nicaragua, Panama, Peru, Mexico, Argentina, Chile, Paraguay, Uruguay	Spanish
MEA CIS	India	Kazakhstan, Arab Emirates, Kuwait, Nigeria, South Africa, Turkey, Armenia, Georgia, Israel, , Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, Tunisia, Ivory Coast, Reunion, Senegal, Turkey, Azerbaijan, Uzbekistan, Tanzania	English
MEA CIS	Romania	Armenia, Georgia, Israel, Kazakhstan, Algeria, Egypt, Jordan, Kuwait, Lebanon, Morocco, Tunisia, Ivory Coast, Reunion, Senegal, Turkey, Azerbaijan, Uzbekistan, Arab Emirates	French, Arabic, Russian, Turkish, Armenian, Georgian, Hebrew
US (plug-in option)	India	US	English

[1] – shared resource with MEA CIS

Table 1A: Customer Countries and Languages Supported

- 3.6 Supplier shall seek to allocate the Tactical Sourcing Projects and (strategic) Sourcing Events across its delivery centres in an efficient manner and in accordance with the ratios set out in Table 1B below (with a “language deadband” of +/- 20 percent points change of such volume by language), which volumes were determined by the Supplier in relation to the language mix expected to be required to execute the share of volumes.

- 3.7 Supplier shall monitor the allocation of volumes by delivery centre as part of the monthly operational management, and (without prejudice to Supplier obligation in Paragraph 3.6) where the volumes trend of such volumes deviates from Supplier's expected shares (outside the language deadband) solely due to mandatory language support then this shall be reported to Customer via governance together with details of the steps taken by Supplier pursuant to Paragraph 3.6.
- 3.8 If Supplier is in compliance with this Agreement, and Supplier can demonstrate to Customer's reasonable satisfaction that the language mix is materially (and in any event outside the language deadband) outside the language mix that Supplier could have reasonably anticipated based on the information provided to Supplier prior to the Effective Date, and such change is outside of Supplier's control, then Supplier and Customer shall, acting reasonably and in good faith, agree to modify the relevant Base Charges to reflect the additional costs reasonably incurred by Supplier in supporting such language mix. Such change to be agreed via the Change Control Procedure, and shall be requested by Supplier. Any such change shall apply on a prospective basis only for the remainder of the then current calendar year and shall form part of the forecast for the following calendar year. Any agreed changes to the charges will be applied in the true-up/true-down procedure set forth in Schedule 4 Charges.

Baseline Volume (annual) by Required Language –

1. APAC

Supplier Delivery Centre	Required Languages	Tactical Sourcing Projects (and % share)	(strategic) Sourcing Events (and % share)
	Total	608 (100%)	862 (100%)
Mumbai, India	English, Urdu, Bangla	316 (52%)	644 (75%)
Surabaya, Indonesia	Bahasa, Thai, Vietnamese	179 (29%)	130 (15%)
Dalian, China	Japanese, Korean, Chinese	113 (19%)	88 (10%)

2. LAC

Supplier Delivery Centre	Required Languages	Tactical Sourcing Projects	(strategic) Sourcing Projects	E2E contracts and Amendments	SRM Support – QBR Vendors	SRM Support – RSP Onboarding	SRM Support – Ecovadis Onboarding
	Total	196	127	145	37	167	167
India	English	31	20	23	37	167	167
Mexico	Spanish	135	86	102	0	0	0
Brazil	Portuguese	24	17	15	0	0	0
Romania	French	6	4	5	0	0	0

4. MEA CIS

Supplier Delivery Centre	Required Languages	Tactical Sourcing Projects	(strategic) Sourcing Projects	E2E contracts and Amendments	SRM Support – QBR Vendors	SRM Support – RSP Onboarding	SRM Support – Ecovadis Onboarding
	TOTAL	407	218	274	37	167	167
India	English	97	58	49	37	167	167
Romania	French	50	26	29	0	0	0
Romania	Armenian	7	3	30	0	0	0
Romania	Georgian	7	3	36	0	0	0
Romania	Hebrew	27	14	3	0	0	0
Romania	Turkish	29	15	9	0	0	0
Romania	Arabic	144	75	12	0	0	0
Romania	Russian	46	24	106	0	0	0

Table 1B: Volume shares for Supplier Delivery Centres by required language

5. SERVICE DESCRIPTION

5.1 Overview of Services:

5.1.1 The Supplier shall provide Services to Customer across Strategic Demand and Tactical Demand. The in-scope Services and responsible parties are detailed in Table 2 below:

Service Elements	Key Activities	Responsible Party	
		Strategic Demand	Tactical Demand
Demand & Category Management	Category strategy & sourcing pipeline development	Customer	Customer
	Identify sourcing opportunities, feed into sourcing pipeline, and support pipeline development	Customer	Supplier
	Spend analysis, category strategy execution	Customer	Supplier
	Support business stakeholder management, and develop demand profile	Customer	Supplier
	External analysis and benchmarking	Customer	Supplier
E2E Tactical Sourcing	Sourcing execution including negotiations & supplier Evaluations	Customer	Supplier
	Shortlisting and final contract award - Identify list of suppliers - Support evaluations and recommend award scenarios - Finalize supplier selection and contract award	Customer	
			Supplier
			Supplier
	Escalation management	Customer	Customer
Sourcing Process Support	Sourcing support and Event (RFx) execution – market analysis, supplier evaluation and shortlisting	Supplier	Supplier
	Execute Spot Buys	Customer	Supplier
E2E Contract Management	Updating/ redlining contract drafts	Customer	Supplier
	Contract review with Customer legal and supplier contract negotiations	Customer	Supplier
Contracting Process Support	Administrative support for ongoing renewals / terminations / amendments	Supplier	Supplier
	Contract process support, maintenance, and uploads into CLM	Supplier	Supplier
SRM Process Support	Support supplier segmentation and SRM process	Supplier	Supplier
	Leading SRM initiatives and supplier performance management	Customer	Customer
	Support supplier performance benchmarking and Reporting	Supplier	Supplier
	Execution of SRM initiatives and query handling	Supplier	Supplier
Strategy Program Delivery &	Procurement strategy development - Identify strategies and develop new ways of working - Approve strategies	Customer	
			Supplier
	Reporting for spend, demand, KPI performance, category overview	Customer	Customer
	Continuous improvement initiatives	Customer	Supplier

Service Elements	Key Activities	Responsible Party	
		Strategic Demand	Tactical Demand
Tail Spend Management	Identification of spend thresholds for buying channels/ change management/ compliance	Not Applicable	Supplier
	Tail spend rationalization and analytics for identification of proactive opportunities	Not Applicable	Supplier
	Execution of tail spend management initiatives linked to identified opportunities	Not Applicable	Supplier
	Strategy development for buying channel optimization	Not Applicable	Supplier
	Reporting to monitor buying channel compliance and maverick spend	Not Applicable	Supplier
PMO	Management and coordination of Transition, Transformation, and coordination and oversight of governance and service delivery	Supplier	Supplier

Table 2: Responsible Parties for In-Scope Services

5.2 Supplier shall leverage as part of the delivery of Services the Supplier centers of excellence (CoEs) and built-in procurement infrastructure including global SMEs, category experts and knowledge repositories to improve value, speed to execution and operational efficiency, including:

- 5.2.1 Leveraging regular market intelligence and price benchmarking from the global supplier database or other sources
- 5.2.2 Identifying opportunities to direct spend to existing catalogs (or to improve catalogs), optimise buying channels and rationalize preferred/standard supplier lists
- 5.2.3 Identifying continuous improvement actions to simplify and optimize the contracting process, and to support contract compliance tracking

5.3 Demand Management and Category Management

5.3.1 Service Description

- (a) The scope of Services for Demand Management and Category Management is for Tactical Demand only.
- (b) The Supplier shall work with Customer category owners, business partners and other relevant stakeholders to execute Demand Management and Category Management activities related to Tactical Demand. This includes analysis of the historical spend data to establish a spend baseline/demand profile and identify savings opportunities. The Supplier shall discuss and clarify demand with the category manager(s) and/or business stakeholder(s), administer the demand input tool and drive development of the sourcing pipeline for the Tactical Demand. Other activities include business stakeholder management,

category strategy execution (e.g. initiation and management of sourcing and improvement projects) and on-going category reporting.

- (c) Customer shall have the ownership of developing category strategy documents and overall sourcing pipelines. Customer shall ensure alignment with business partners/category owners on business plans and objectives including spend overview and/or budget constraints as well as key issues and/or concerns related to the category and/or suppliers.

5.3.2 Roles and Responsibilities

- (a) The RACI outlined in Table 3, below details the roles and responsibilities for both Parties, the activities will be deployed partially or in full to achieve agreed upon volumes

#	Process/Activity	PMI	Supplier
1	Analyze historical category spend data and establish spend baseline	I	RA
2	Develop initial demand profile based on historical and/or baseline data	I	RA
3	Develop engagement plan for PMI stakeholders	RA	I
4	Discuss and clarify demand with the category manager(s) and/or business stakeholder(s); Administer demand input tool	CI	RA
5	Identify opportunities to deliver savings, support development of and feed into the sourcing pipeline	CI	RA
6	Discuss business objectives, budget constraints and category specific nuances with business partners/category owners	RA	CI
7	Develop category strategy document and gain sponsorship for the sourcing projects	RA	CI
8	Review sourcing strategies and overall sourcing pipeline with business partners/category owners	RA	CI
9	Support category strategy execution (initiation and management of sourcing events/continuous improvement)	CI	RA
10	Manage communications with Customer stakeholders	RA	I
11	Develop and implement on-going category reporting and tracking tools	CI	RA

Table 3: RACI for Demand and Category Management

5.4 E2E Tactical Sourcing

5.4.1 Service Description

- (a) The scope of Services for E2E Tactical Sourcing is for Tactical Demand and associated Tactical Sourcing Projects only.

- (b) The Supplier shall collect demand data and business requirements necessary for Tactical Sourcing Projects. The Supplier shall develop sourcing event timelines, project plans and strategies for sourcing, negotiations, supplier selection and evaluation and manage supplier negotiations. Customer shall be responsible for approval of identified strategies, and final contract award. Customer shall ensure timely decisions and responses to Supplier and timely resolutions of escalations/delays/decision issues from business stakeholders/category owners. The Supplier shall manage stakeholder engagement and communications.

5.4.2 Roles and Responsibilities

- (a) The RACI outlined in Table 4 details the roles and responsibilities for both Parties, the activities will be deployed partially or in full to achieve agreed upon volumes

#	Process/Activity	Customer	Supplier
1	Collect demand data, specifications, business requirements and additional information necessary for sourcing projects	I	RA
2	Develop sourcing event timeline, prioritization, and project plan	CI	RA
3	Develop strategy for sourcing, negotiations, supplier selection and evaluation	CI	RA
4	Approve sourcing strategy & plan and success criteria for supplier selection	RA	CI
5	Conduct sourcing, negotiations and supplier selection including the sourcing process steps outlined in Table 5A RACI for Sourcing Process Support	CI	RA
6	Support post negotiations evaluations and recommend award scenarios	CI	RA
	<i>[Note: For reference where contracting is required this will be executed through the contract management activities in section 4.5 and outlined in Table 6 RACI for E2E Contract Management]</i>	-	-
7	Finalize contract award	RA	CI
8	Support award of business, including supplier communications as needed	I	RA
9	Manage stakeholder engagement and communications	I	RA
10	Ensure resolution in the event of issues(For example – delays in scope of work, budget information etc.) escalated by Supplier to Procurement Account originating from Customer stakeholders	RA	I
11	Conduct savings calculations, prepare savings documentation, validate savings with stakeholders, and complete savings reporting steps (including updates to GSMT Tool)	CI	RA
12	Conduct sourcing project closure steps, including any handover activities to Customer procurement manager (category or country), storage of sourcing documentation & records, perform updates to sourcing Tools and support the operationalization of Sourcing Project outcome	CI	RA

Table 4: RACI for E2E Tactical Sourcing

5.5 Sourcing Process Support

5.5.1 Service Description

- (a) The scope of Services for Sourcing Process Support covers both Strategic & Tactical Demand and the associated support to Strategic Sourcing Projects and performing Tactical Spot Buys.
- (b) The Supplier shall collaborate with Customer to implement the sourcing strategies and the sourcing pipeline of Sourcing Projects to support and execute the Sourcing Events. Key activities are as follows:
 - (i) Market research & insights, spend analysis and pricing benchmarks
 - (ii) Identification of preferred suppliers
 - (iii) Development of RFx packages, and configuration of RFx Events in tools (e.g. eAuctions, Auto-bid)
 - (iv) Support in sourcing strategy development and supplier evaluation criteria
 - (v) Documentation and evaluation of RFx responses
 - (vi) Recommendations for supplier shortlists
- (c) The Supplier shall collaborate with Customer to establish the sourcing approach and execute on Tactical Spot Buys. Key activities are as follows:
 - (vii) Gather and clarify requirements from requestor(s);
 - (viii) Identify supplier(s) and obtain quote(s);
 - (ix) Negotiate and finalize award
 - (x) Perform tracking and reporting

5.5.2 Roles and Responsibilities

- (a) The RACI outlined in Table 5A details the roles and responsibilities for both Parties in relation to Sourcing Process Support, and further detailed in Table 5B for Tactical Spot Buy. the activities will be deployed partially or in full to achieve agreed upon volumes

#	Process/Activity	Customer	Supplier
1	Identify industry trends/practices and provide supply market intelligence	I	RA
2	Identify list of suppliers, qualify and onboard suppliers in accordance with Customer guidelines	I	RA

3	Develop and incorporate project-specific requirements into the RFx templates (or applicable tools) specific to the appropriate category and/or subcategory, and basis for supplier evaluation criteria	I	RA
4	Develop sourcing strategies and supplier evaluation criteria	RA	I
5	Manage stakeholder engagement and communications	RA	I
6	Publish RFx, send to qualified suppliers	I	RA
7	Support development of responses to supplier questions	CI	RA
8	Analyze RFx responses based on evaluation criteria, including conducting cost comparisons and total cost evaluations	I	RA
9	Rank suppliers on key evaluation criteria	I	RA
10	Develop and document a summary of the RFx responses and recommend supplier shortlist for negotiations	CI	RA
11	Finalize contract award	RA	CI
12	Support the preparation, co-ordination and management of documentation in the sourcing Tools	CI	RA
13	Conduct savings calculations, prepare savings documentation, validate savings with stakeholders, and complete savings reporting steps (including updates to GSMT Tool)	RA	I

Table 5A: RACI for Sourcing Process Support

#	Process/Activity	Customer	Supplier
1	Raise request through PMI tools (OPR, SPIC, email)	RA	I
1	Identify the requirements to perform Spot-Buy	CI	RA
2	Determine suppliers from whom to obtain quotes	CI	RA
3	Execute requests for quotations (including updates to quotations)	I	RA
4	Negotiate quotations with suppliers	I	RA
5	Obtain approval to award	RA	I
6	Initiate purchase requisitioning	CI	RA
7	Update records in Customer Tools including new materials, price lists and lead-times	I	RA
8	Perform Spot-Buy tracking and reporting	I	RA
9	Conduct Spot-Buy closure steps	I	RA

Table 5B: RACI for Tactical Spot Buy (Applicable only for APAC)

5.6 E2E Contract Management

5.6.1 Service Description

- (a) The scope of Services for E2E Contract Management is for Tactical Demand only and covers activities associated with both New Contracts as well as Amendments.
- (b) The Supplier shall leverage existing Customer templates and approved contracting fallback positions to update and/or redline contract drafts. Customer will retain final approvals for the contracts and support the Supplier in the event approved fallback positions are rejected or unavailable. The Supplier shall coordinate with Customer to facilitate reviews with Legal/Category Owners and manage contract signatures.
- (c) Customer shall be responsible for approval of the negotiated terms and conditions with suppliers documented by the Supplier.

5.6.2 Roles and Responsibilities

- (a) The RACI outlined in Table 6 details the roles and responsibilities for both Parties, the activities will be deployed partially or in full to achieve agreed upon volumes

#	Process/Activity	Customer	Supplier
1	Update and/or redline commercial terms in contract drafts leveraging templates, policies, standard conditions and approved fallback positions, etc.	CI	RA
2	Manage escalations and/or support decision-making in the event of approved fallback positions being insufficient	RA	CI
3	Facilitate reviews with required business / legal and/or category stakeholders	I	RA
4	Execute contract negotiations with Suppliers in coordination with the relevant PMI team (legal, business etc.)	CI	RA
5	Document results of contract negotiations and facilitate review of the final recommendations	I	RA
6	Review and approve negotiated contract terms and conditions	RA	CI
7	Facilitate completion of required contract signatures between Customer and supplier leveraging any contract signatory approval parameters	I	RA
8	Review, execute and return signed documents	RA	I
9	Other activities based on steps outlined in Table 7: RACI for Contracting Process Support	I	RA

Table 6: RACI for E2E Contract Management

5.7 Contracting Process Support

5.7.1 Service Description

- (a) The scope of Services for Contracting Process Support covers activities for both Strategic & Tactical Demand.
- (b) Contracting Process Support service element includes the administrative tasks around contract management which includes regular update of contract templates as directed by Customer, uploads into the CLM system and co-ordination, tracking and reporting of ongoing contract renewals/expiry/other milestones. Customer shall ensure timely resolution of escalated issues for contract disputes and support the Supplier in securing buy-in from Customer legal team, business stakeholders, category owners and suppliers.

5.7.2 Roles and Responsibilities

- (a) The RACI outlined in Table 7 details the roles and responsibilities for both Parties, the activities will be deployed partially or in full to achieve agreed upon volumes

#	Process/Activity	Customer	Supplier
1	Provide administrative support for contracting process	I	RA
2	Maintain contract templates and changes based on standard templates and guidance provided by Customer	I	RA
3	Enter signed documents and information/meta data to the appropriate contract Tool; Co-ordinate, prepare and manage documentation and uploads to the contract Tool	I	RA

Table 7: RACI for Contracting Process Support

5.8 SRM Process Support

5.8.1 Service Description

- (a) The scope of Services for Supplier Relationship Management (SRM) Process Support covers activities both Strategic & Tactical Demand.
- (b) For selected suppliers across Tactical and Strategic Demand, the Supplier shall provide process support for planned SRM and handle queries for unplanned SRM. It involves processes such as performance management, identification of strategic partners, data collection, assessment and tracking/reporting of performance, action plans definition, query and issue handling, metrics monitoring and implementation of value-added initiatives.

- (c) SRM E2E shall be a retained responsibility of Customer, which includes the determination of SRM framework for supplier segmentation/tiering, review of supplier performance and to lead SRM initiatives.

5.8.2 Roles and Responsibilities

- (a) The RACI outlined in Table 8 details the roles and responsibilities for both Parties, the activities will be deployed partially or in full to achieve agreed upon volumes

#	Process/Activity	Customer	Supplier
1	Develop SRM framework, supplier segmentation methodology and governance policies	RA	CI
2	Execute supplier tiering process as per defined framework	RA	CI
3	Develop and maintain supplier performance reporting structures	I	RA
4	Identify performance metrics, Lead SRM activities and supplier review sessions	RA	CI
5	Analyze and report on supplier performance for identified metrics	I	RA
6	Support benchmarking of current supplier performance versus relevant supplier base and identify areas for improvement	I	RA
7	Develop supplier performance scorecard	CI	RA
8	Review supplier performance issues, remediation plans and execute against areas identified as needing improvement	I	RA
9	Capture takeaways from supplier performance governance meeting and incorporate into category planning	RA	CI
10	Support implementation of value-added initiatives by the suppliers	CI	RA
11	Analyze and report on risk and sustainability identified metrics, including support for the annual FSR process	I	RA
12	Support supplier queries	I	RA

Table 8: RACI for SRM Process Support

5.9 SRM Process Support – RSP acknowledgement

5.9.1 Service Description

- (a) The scope of RSP Supplier Acknowledgement under Supplier Relationship Management (SRM) Process Support covers activities under Responsible Sourcing Principles onboarding Program.

- (b) For selected suppliers PAM shall map the ones eligible for RSP acknowledgement.
- (c) GEP executes RSP supplier acknowledgement under leadership of Procurement Account Team.

5.9.2 Roles and Responsibilities

- (a) The RACI outlined in Table 9 details the roles and responsibilities for both Parties, the activities will be deployed partially or in full to achieve agreed upon volumes

#	Process/Activity	Customer	Supplier
1	Finalize the list of suppliers to be onboarded as per defined spend criteria and share with procurement operations by email.	RA	I
2	Reach out to supplier to confirm on the participation via email/call and provide status update to procurement operations	RA	I
3	Share introductory email to suppliers with RSP acknowledgement letter as per PMI template	I	RA
4	Send follow up email to suppliers (if required) for gathering required details to initiate e-signature via Adobe (name of legal entity, address of company etc.)	I	RA
5	Complete RSP acknowledgement draft as per details shared by supplier, initiate e-signature via Adobe tool	I	RA
6	Send follow up email to suppliers for signing the RSP acknowledgement (if required)	I	RA
7	Compile RSP acknowledgement letter (soft copy) and forward to Local/global team on weekly basis	I	RA
8	Receive and send hard copy of signed RSP Acknowledgement to Krakow , if signed manually	RA	I
9	Procurement team to follow up/ coordinate with non-responsive suppliers as per list share by procurement operations	RA	I
10	Keep tracker updated, provide progress/status update to markets via email/call	I	RA

Table 9: RACI for RSP acknowledgement

5.10 SRM Process Support – Ecovadis onboarding

5.10.1 Service Description

- (a) The scope of Ecovadis Onboarding Services under Supplier Relationship Management (SRM) Process Support covers activities under Responsible Sourcing Principles onboarding Program.

- (b) For selected suppliers PAM shall map the ones eligible for Ecovadis onboarding.
- (c) GEP executes Ecovadis supplier onboarding under leadership of Procurement Account Team.

5.10.2 Roles and Responsibilities

- (a) The RACI outlined in Table 9 details the roles and responsibilities for both Parties, the activities will be deployed partially or in full to achieve agreed upon volumes

#	Process/Activity	Customer	Supplier
1	Finalize the list of suppliers to be onboarded as per defined spend criteria and share with procurement operations by email.	RA	I
2	Reach out to supplier to confirm on the participation via email/call and provide status update to procurement operations	RA	I
3	Send Ecovadis introduction with invite link to suppliers as per PMI template	I	RA
4	Send follow up to suppliers over email to register (as needed)	I	RA
5	Once registered, monitor the questionnaire progress of supplier on Ecovadis, send follow up email to ensure timely completion (as needed)	I	RA
6	Provide support to resolve supplier issues (payment related issues, reopen the questionnaire, extend questionnaire deadline etc.)	I	RA
7	Procurement team to follow up/ coordinate with non-responsive suppliers as per list share by procurement operations	RA	I
8	Keep tracker updated, provide progress/status update to markets via email/call	I	RA

Table 10: RACI for Ecovadis onboarding

5.11 Strategy & Program Delivery

5.11.1 Service Description

- (a) Key responsibilities for the supplier include the following:
 - (i) Reporting and Analytics - Design, enrichment, publishing and maintenance of reports and dashboards
 - (ii) Process Excellence Support - Implementation of new ways of working and improvement initiatives, deployment of global standards and guidelines

- (iii) Operating Model Support – Collaborate in the deployment of the new operating model for Global Capability Centre (PROCUREMENT OPERATIONS), and providing expert advisory to Procurement in the development of PROCUREMENT OPERATIONS control tower model and digital landscape
- (iv) Systems Administration & Support – Tools management, expert advisory to Procurement, knowledge retention and documentation of industry best practices/processes
- (v) Program Delivery – Oversight and program delivery for all Services and related activities described in this agreement (e.g. Transition, Transformation, Governance etc)
- (vi) Customer will lead the strategy development for overall Procurement and sub functions, ensure timely approvals and technical troubleshooting of Customer existing tools.

5.11.2 Roles and Responsibilities

- (a) The RACI outlined in Table 9 details the roles and responsibilities for both Parties, the activities will be deployed partially or in full to achieve agreed upon volumes

#	Process/Activity	Customer	Supplier
1	Lead development of the strategy for overall Procurement & sub-functions	RA	CI
2	Support design, extraction, arrangement & enrichment, and maintenance of Spend Reports, Demand Dashboards, Payment Terms Dashboard, IMS & TP KPI Dashboards, Category Dashboards, and other Global / Regional Dashboards and predefined Reports. Prepare and publish such Dashboards and Reports.	I	RA
3	Provide additional information (if needed) from other Customer systems for reporting, and ensure timely approvals of ad hoc reports (if required)	RA	I
4	Define and lead implementation of new ways of working, including PROCUREMENT OPERATIONS 'Global' Control Tower model	RA	CI
5	Support the Delivery, Transformation and COE teams to shape and implement continuous improvement initiatives, and drive deployment of global standards & guidelines, PROCUREMENT OPERATIONS governance processes and new ways of working	CI	RA
6	Provide administrative support to manage Customer existing Tools including access model architecture, proposed upgrade and deployment coordination, expert advisory to procurement community and knowledge retention, guidance and training delivery	CI	RA
7	Provide technical troubleshooting of Customer existing Tools	RA	CI

Table 9: RACI for Strategy and Program Delivery

5.12 Proactive Tail Spend Management

5.12.1 Service Description

- (a) The scope of Services for Tail Spend Management is for Tactical Demand only. Key activities are outlined below:
 - (i) Spend analysis for identification of opportunities for tail spend rationalization, catalogs, P-cards and preferred supplier lists
 - (ii) Strategy development for buying channel optimization
 - (iii) Development of dashboards to monitor buying channel compliance and maverick spend
- (b) Customer will identify spend thresholds for buying channels, develop policies to ensure compliance and support initiatives to drive adoption and manage change.

5.12.2 Roles and Responsibilities

- (a) The RACI outlined in Table 10 details the roles and responsibilities for both Parties, the activities will be deployed partially or in full to achieve agreed upon volumes

#	Process/Activity	Customer	Supplier
1	Support strategy development and identification of spend thresholds for buying channels	RA	CI
2	Analyze by total spend size, criticality of category, savings potential etc.	I	RA
3	Identify and define best fit strategies for buying channel optimization	CI	RA
4	Proactively identify opportunities to rationalize tail by moving spend to new or existing contracts	CI	RA
5	Execute quick wins / immediate opportunities	I	RA
6	Drive initiatives for continuous improvement and automation such as catalogs, p-card, preferred supplier list, etc.	CI	RA
7	Coordinate updating of existing catalogs and deploying of new catalogs with Customer administrative contact (or other providers offering such catalogs)	CI	RA
8	Publish updates to existing catalogs and create new catalogs in the catalog tool	RA	CI
9	Develop policies to ensure compliance and support initiatives to manage change	RA	CI
10	Manage communication to drive adoption and increase spend under management	I	RA

11	Perform analytics to drive synergies with strategic spend, and provide inputs to category strategies and category cards (as applicable) in relation to tail spend management	I	RA
12	Develop dashboards and reports to monitor buying channel compliance and maverick spend	I	RA

Table 10: RACI for Tail Spend Management

5.13 Other Value Adds

5.13.1 eAuction

- (a) In the delivery of Services for E2E Tactical Sourcing and Sourcing Process Support, the Supplier will leverage its expertise in eAuction best practice to drive adoption and increased use of Auction techniques. Supplier will support the Customer to optimize sourcing events and minimize execution costs through use of eAuction tools and infrastructure, and to supplement Tools being used by Customer with Supplier Tools, if needed.

5.13.2 Market Intelligence (MI)

- (a) Supplier will leverage its MI CoE team and also provide 8-10 MI reports annually at no additional fees.

5.13.3 Category Expertise

- (a) Supplier will leverage its category advisory groups for additional category expertise and insights.

Schedule 3
SERVICE LEVELS AND SERVICE CREDITS

1. DEFINITIONS

- 1.1 "Baselined Service Levels" has the meaning given to it in Paragraph 4.
- 1.2 "Business Critical" means the Service Levels identified as such in Appendix 1.
- 1.3 "Earnback" has the meaning given to it in Paragraph 6.5.
- 1.4 "Earnback Period" means the period during which a Service Credit is subject to Earnback.
- 1.5 "Measurement Period" means the period of time a Service Level is to be measured as set out in the Appendix 1 to this Schedule. The first Measurement Period for each Service Level Item shall begin on the Go Live Date for each Service Element covered by the applicable Service Level.
- 1.6 "Minimum Service Level" means the minimum level of acceptable performance by the Supplier in its provision of the Services, expressed in percentage terms and identified in Appendix 1.
- 1.7 "Non-Critical" means the Service Levels identified as such in Appendix 1.
- 1.8 "Reporting Tools" means the Reporting Tools designated for each Service Level Item as identified in Appendix 1.
- 1.9 "Savings Bonus" means the amount credited to Supplier by the Customer where the Target Service Level is exceeded for Service Level Item #11.
- 1.10 "Savings Malus" means the amount credited to the Customer by the Supplier where the Target Service Level is failed for Service Level Item #11.
- 1.11 "Service At-Risk Amount" means 10% of the total monthly Operational Service Charges for all Services in the applicable Measurement Period.
- 1.12 "Service Credit" means the amount credited to the Customer by Supplier where a Service Level is not met on a Service Level Item as set out in Appendix 1.
- 1.13 "Service Credit Allocation Percentage" means the percentage identified as such in Appendix 1.
- 1.14 "Service Levels" means the Target Service Levels and the Minimum Service Levels.
- 1.15 "Service Level Default" means the failure by the Supplier to meet a Service Level.
- 1.16 "Service Level Item" means an individual service level item as listed in Appendix 1.
- 1.17 "Service Level Modification" means the changes to Service Levels identified as such in Paragraphs 9.1 and 9.4.
- 1.18 "Target Service Level" the target service levels in respect of each Service Level Item set out in Appendix 1.
- 1.19 "Unacceptable Service" has the meaning given to it in Paragraph 5.

2. INTRODUCTION

- 2.1 The Supplier will perform the Services to which Service Levels apply so that the Service Level performance will, in each Measurement Period during the Term, meet, or overperform, the Service Levels.
- 2.2 Service Level performance will be measured by the Supplier in accordance with this Schedule and against the Service Levels set out in Appendix 1.

2.3 Service Credit, Savings Bonus and Savings Malus shall apply in respect of the Service Levels as set out in Paragraphs 6 and 7 of this Schedule and be payable as set out in Paragraph 12 of Schedule 4.

2.4 The Parties may review and modify the Service Levels in accordance with Paragraph 9 of this Schedule.

2.5 The Supplier shall provide reports for Service Level performance for the Measurement Periods for each Service Level Item listed in Appendix 1. The Parties shall, acting reasonably, work together during the Term to refine the list of reporting requirements.

3. MEASUREMENT AND REPORTING

3.1 In respect of each Service Level Item, the Supplier shall monitor and report on the performance of the Services against the Service Levels from the Go Live Date of the relevant Service Element, including in accordance with the requirements set out in this Schedule.

3.2 For each Service Level Item, within ten (10) Business Days of the end of each Month, the Supplier shall report to the Customer its performance against the Service Levels, including supporting data, any exclusions and detailed supporting information for the calculation of each Service Level and to verify Supplier's performance against each Service Level.

3.3 The Supplier shall provide detailed supporting information for each report, wherever applicable, to the Customer in a mutually agreeable online format in the applicable Reporting Tool. The Supplier shall include in such information, the data required to calculate the Service Levels in the specified Measurement Periods and any Service Credits, Savings Bonus and Savings Malus.

3.4 In addition to reporting on Service Levels for the specified Measurement Period as set out in Appendix 1, the Supplier shall provide historical reporting including year to date, current quarter, and comparison with the last 12 months, wherever applicable.

3.5 The Supplier shall also provide a monthly performance report in accordance with the requirements of Schedule 9 (Governance).

3.6 Failure by the Supplier to provide the reports in accordance with this Schedule in three consecutive months shall be a material breach.

4. INITIAL MEASUREMENT PERIOD AND BASELINING

4.1 Business Critical Service Levels shall be as set out in Appendix 1 of this Schedule, or as improved over time pursuant to this Schedule, and shall not be subject to baselining.

4.2 In Year 1 (applicable to the Year1 of for every region in scope Region based on their go-live date):

4.2.1 For Non-Critical Service Levels #5 and #8: the Service Levels shall be as set out in Appendix 1

4.2.2 For other Non-Critical Service Levels not referenced in a) above:

(a) the Target Service Level is as set out in Appendix 1,

(b) there is no Minimum Service Level for the first 6 months following the Final Go Live Date

4.3 From the beginning of month 7 following the Final Go Live Date to the date in Paragraph 4.4, the Non-Critical Service Levels referenced in Paragraph 4.2.2(b) above shall be as per the Baselined Service Level.

4.4 From the later of the beginning of month 13 following the Final Go Live Date or the start of the next calendar year (beginning of January) following the Final Go Live Date onwards, the Non-Critical Service Levels referenced in 4.2.2(b) above shall be as per the Baselined Service Level.

4.5 The "Baselined Service Levels" shall be the average performance of the applicable Service Level in the highest three (3) performance Measurement Periods in the prior 6 months, plus 10%.

4.6 As part of the initial baselining, the Parties shall work to agree and update the definitions.

CSAT

4.7 These Paragraphs 4.7 – 4.9 shall apply in relation to the customer satisfaction survey (CSAT) Service Level (Service Level #1) only. Supplier shall not unreasonably withhold, condition or delay its agreement to any requirement reasonably required by Customer in relation to CSAT. Customer's acceptance of CSAT shall form part of the acceptance criteria for sign-off of each Service Element.

4.8 A detailed approach and method to measure CSAT for each Service Element will be jointly agreed as part of Transition (e.g. it may not be NPS type of survey, and we expect to tailor type of survey for relevance to different stakeholder groups):

4.8.1 Frequency of CSAT surveys to be issued will be based on triggers by completion of activities for a given Service Element (e.g. sourcing project completed for E2E tactical sourcing). Note that it shall be Customer's sole option to determine (from time to time) the number, nature and scope of recipients of CSATs to be issued upon completion of activities in a given Service Element (e.g. Customer may require ALL sourcing projects to be surveyed for E2E Tactical Sourcing, or 10 stakeholders per month and per region for Tactical Spot Buys, but perhaps no surveys for SRM related activities) and that these details will be determined as part of Transition.

4.8.2 Performance reporting for CSAT will be on a quarterly basis, but shall include the full population of surveys issued in each of the months in such quarterly period for all applicable Service Elements (e.g. some Service Elements may not have CSAT surveys at Customer's sole option from time to time).

4.9 Supplier shall still fully measure and report on performance, but for Service Level #1 (only) the following shall not be used in the calculation or determination of Unacceptable Service (pursuant to Paragraph 5 below) or Service Credits (pursuant to Paragraph 6 below):

4.9.1 Supplier's performance for the first two months from the relevant Go Live Date for each Service Element; and

4.9.2 In the event the response rate for a CSAT is below 25% (percentage of survey responses received to surveys issued).

5. UNACCEPTABLE SERVICE

5.1 The following shall constitute "Unacceptable Service":

5.1.1 Supplier fails to meet the same Target Service Level for the same Service Level Item in three (3) consecutive Measurement Periods; or

5.1.2 Supplier fails to meet the same Target Service Level for the same Service Level Item in five (5) months within any rolling 12-month period; or

5.1.3 Supplier fails to achieve the Minimum Service Levels for those Service Level Items defined as "Business Critical" for any two (2) consecutive Measurement Periods; or

5.1.4 Supplier fails to achieve Service Levels for Cycle Time and Response Time for a period of three (3) consecutive months within a calendar year;

5.1.5 Supplier fails to achieve the Target Service Levels for 50% of any Business Critical Service Levels in three (3) consecutive months; or

5.1.6 Supplier fails to achieve Cost Savings of at least either: (i) 8% on average over two calendar years; or (ii) 6% within a single calendar year (in each case, including the first shorter calendar year).

5.2 For any Service Level that is a Non-Critical Service Level, then references in Paragraph 5.1 above to "Target Service Level" shall be read as "Minimum Service Level".

6. SERVICE CREDITS

6.1 Service credits measurement and calculations occur at Regional Scope level and are based on the fees incurred in the given region

6.16.2 Service Credits shall not be payable for Non-Critical Service Levels. Only Business Critical Service Levels shall be eligible for Service Credits. If a Business Critical Service Level does not have a Service Credit Allocation Percentage specified for that Service Level then no Service Credits shall be payable (and the Service Credit Allocation Percentage shall be deemed to be zero).

6.26.3 Service Credits shall be payable in relation to performance within the relevant Measurement Period (monthly or quarterly, as applicable).

6.36.4 Subject to Paragraph 6.4, for each Service Level Default the Supplier shall accrue to the Customer a Service Credit that will be calculated in accordance with the following formula:

6.3.16.4.1 Service Credit = A x B, where:

6.3.26.4.2 A = the applicable Service Credit Allocation Percentage

6.3.36.4.3 B = the Service At-Risk Amount

6.46.5 In no event will the aggregate amount of Service Credits payable by the Supplier accruing in a single month exceed the Service At-Risk Amount. Service Levels with Measurement Periods longer than one month shall receive Service Credits for each month within that Measurement Period (e.g. Customer would receive three (3) times the standard monthly Service At-Risk Amount for a Service Level with a quarterly Measurement Period). As an example, if Service Level 2 had a Service Credit Allocation Percentage of 15% and the Service At-Risk Amount for that month was USD12,000 (being 10% of USD120,000 Operational Service Charges for that month) then the applicable Service Credit for that Service Level Default will = 15% x USD12,000 = USD1,800.

6.56.6 Earn Back. The Supplier shall have an opportunity to earn back the accrued Service Level Credits if Supplier meets or exceeds the Target Service Level for the same Service Level Item for three (3) consecutive months immediately following the Measurement Period in which the Service Level failure occurred ("Earnback"). Earnback shall cease to apply on termination.

6.66.7 If in any 12 month period following Earnback becoming applicable to a Service Level that Service Level is again breached, then the option to Earnback for such Service Level Default will not apply.

6.76.8 By way of example, where Supplier had failed to meet the Minimum Service Level for Service Level 2 for 1 month and had accrued \$1,800 in Service Credits to the Customer, if Supplier achieves the Target Service Level for the same Service Level Item for 3 consecutive months, the Supplier will earn back the \$1,800 that was accrued to the Customer.

6.86.9 By way of further example, where Supplier had failed to meet the Minimum Service Level for Service Level 2 for 2 consecutive months and had accrued \$3,600 in Service Credits to the Customer, if Supplier achieves the Target Service Level for the same Service Level Item for 3 consecutive months, the Supplier will earn back the \$1,800 that was accrued to the Customer in the second month of failure. The first month cannot be earned back as the Supplier failed to meet the earn back requirement in the month immediately following.

7. COST SAVINGS

7.1 Background:

7.1.1 Supplier is expected to achieve 10% Cost Savings for all addressed spend in a calendar year for APAC, MEA-CIS and LAC regions. For MEA CIS and LAC, cost savings % is to be baselined and mutually agreed upon. If Supplier's performance exceeds the 10% savings target by more than a 10% deadband then a bonus may be payable (as detailed below) but subject to a minimum savings amount of:

☐ \$8.0m for APAC

☐ \$4.0m for LAC

☐ \$3.5m for MEA-CIS

. If Supplier's performance falls below the 10% savings target by more than a 10% deadband then a malus payment may be payable (as detailed below). This Paragraph 7.1 is for reference only – the bonus / malus mechanism is as described in the rest of this Paragraph 7.

7.1.17.1.2 Strategic Sourcing Projects will not count as Savings Projects for the purposes of this Schedule. Any savings from Strategic Sourcing Projects will count as Customer generated savings, even where Supplier has provided Sourcing Process Support.

7.1.27.1.3 In the event that Supplier identifies opportunities to execute Sourcing Projects that may ordinarily be considered Strategic through consolidation of Tactical Demand and the associated tactical Spend, then such opportunities shall be agreed with Customer in advance and then raised as Tactical Sourcing Projects for execution by Supplier as part of the Services for E2E Tactical Sourcing. Such resulting Savings Projects will count as Supplier generated savings and the applicable Addressed Spend and Cost Savings will be counted towards the Target Savings Level subject to the other provisions of this Schedule.

7.2 Definitions

7.2.1 "Achieved Savings Bonus" = (Total Cost Savings Performance - 110%) x (Total Annual Operational Service Charges x ½).

7.2.2 "Achieved Savings Malus" = (90% - Total Cost Savings Performance) x (Total Annual Operational Service Charges x ½).

7.2.3 "Annual Addressed Spend" has the meaning set out in Schedule 5 (Savings).

7.2.4 "Cost Savings" has the meaning given to it in Schedule 5 (Savings).

7.2.5 "Target Annual Savings Amount" means the Target Savings Level multiplied by the Annual Addressed Spend.

7.2.6 "Target Savings Level" shall be 10% (ten percent).

7.2.7 "Total Annual Operational Service Charges" means all valid Operational Service Charges due and payable in the applicable calendar year (under this Agreement or the applicable Local Agreements, and post true up / true down).

7.2.8 "Total Annual Cost Savings Amount" means the total value of all Cost Savings attributable to an applicable calendar year within the Term.

7.2.9 "Total Cost Savings Performance" means the applicable Total Annual Cost Savings Amount divided by the applicable Target Annual Savings Amount, and expressed as a percentage.

7.2.10 "Savings At-Risk Amount" means 15% of the Total Annual Operational Service Charges,

provided that any reference to "Savings Projects" contained directly or indirectly in the above defined terms then it shall be read to only include a reference to a) Tactical Sourcing Projects; and b) Tactical Spot Buys (i.e. excluding Strategic Sourcing Projects).

Savings Bonus & Malus principles applicable for all Regions.

7.3 Bonus: In relation to each calendar year the Achieved Savings Bonus shall be payable by Customer to Supplier, subject to the following:

7.3.1 the Total Annual Cost Savings Amount must exceed both:

(a) Floor: USD \$8m as example of ASIA. for APAC (or in the calendar year in which the Transition Start Date occurs (being "Year 1") only, the amount specified in 7.4 below); and

(b) Percentage: 110% of the Target Annual Savings Amount

7.3.2 the Achieved Savings Bonus shall in no circumstances exceed the Savings At-Risk Amount

7.4 Bonus floor in Year 1: In Year 1 the minimum floor amount specified in 7.3.1 above (\$8m as example of ASIA.) shall be reduced on a pro-rata basis as follows:

7.4.1 $Z * ((X-Y) / 12)$ where:

(a) X = The number of whole calendar months remaining in Year 1 from the last Go Live Date of E2E Tactical Sourcing Service Element

(b) Y= 2

(c) Z= \$8m as example of ASIA.

7.4.2 So if that E2E Tactical Sourcing Service Element went live on 1 April 2023 then instead of \$8m for 7.3.1 above it would be \$4.67m ($8 * ((9-2)/12)$). as example of ASIA. The same pro-rata principle also applies to new geo scope MEA-CIS and LAC as of their Transition Date.

7.4.3 For the avoidance of doubt, the Spend calculation will not be subject to such pro-rating (but will be subject to the standard pro-rating as stated in Schedule 5).

7.5 Malus: In relation to each calendar year the Achieved Savings Malus shall be payable by Supplier to Customer, subject to the following:

7.5.1 the Total Annual Cost Savings Amount must fall below 90% of the Target Annual Savings Amount

7.5.2 the Achieved Savings Malus shall in no circumstances exceed the Savings At-Risk Amount

7.6 See Appendix 2 for examples:

7.6.1 See Tables 1 and 2 for examples on bonus

7.6.2 See Tables 3 and 4 for examples on malus.

7.7 For the avoidance of doubt, the formulas in this Paragraph should not generate a negative number and if they do, no amounts are payable under this Paragraph.

7.8 In determining Bonus / Malus, only Annual Addressed Spend and Cost Savings incurred or realized during the Term shall apply (and the Annualisation Period shall not include any period after the Term).

7.9 In the event that in-flight Savings Projects are transitioned to Supplier, the applicable Addressed Spend and Cost Savings for such in-flight Savings Projects will be counted towards the Target Savings Level (including during the transition period) subject to the other provisions of this Schedule.

8. RELIEF FROM SERVICE LEVEL DEFAULT

8.1 The Supplier will not be responsible for any Service Level Default to the extent such Service Level Default is attributable to the following:

8.2 Scheduled downtime agreed with Customer.

8.3 Incidents which require the Customer proprietary knowledge for resolution as documented in the SOPs and that has not been provided to Supplier within reasonably requested timeframe.

8.4 Service or resource reductions (if applicable) requested or approved by Customer and agreed to by the Parties through the Change Control Procedures; provided that the Supplier previously notified and agreed with Customer in the CCN that the implementation of such request would result in a Service Level Default.

8.5 Any relief granted pursuant to Section 13 due to the occurrence of a Relief Event caused by Customer's failure to comply with Customer Dependencies as set out in Section 12.

9. SERVICE LEVEL MODIFICATIONS

9.1 The Customer may request that a Service Level be deleted or adjusted (including changing a Service Level to become a Business Critical Service Level), by sending written notice to the Supplier at least 60 days prior to the date that such modification is to be effective. Upon receipt of such notice, the Parties will discuss such request and mutually agree to (i) delete a Service Level Item, or (ii) adjust the Service Levels relating to any Service Level Item (each a "Service Level Modification"). Such notice shall include changes (including changes to the Service Level Credit specifications) necessary to accommodate the deletions and adjustments to be made pursuant to this provision.

9.2 The Customer may periodically amend the Service Credit Allocation Percentages at its reasonable discretion by giving notice to the Supplier of the same. The Supplier may raise any concerns through Governance and Customer will discuss such amendments through Governance.

9.3 Based on any Service Level Modifications agreed, the Customer and Supplier will assess the then-current support structure and any changes required to meet the modified Service Levels will be addressed through the Change Control Procedure.

9.4 At least once per calendar year, the Supplier and the Customer shall review the Service Levels and suggest adjustments to reflect any improved performance capabilities associated with advances in the technology and methods used to perform the Services. The Parties shall also review any other considerations relating to the Service Levels raised by either Party. As part of this review process, the Parties may jointly determine and agree on the addition and/or removal of Service Levels (also, each a "Service Level Modification"). Supplier will not unreasonably withhold its agreement to such Service Level Modifications, including where required to meet Customer's procurement function's performance objectives.

9.5 Service Level Items shall be added and removed at the Customer's request. The specifics of such items (i.e. the details required for each of the headings in Appendix 1) shall be agreed by the Parties acting reasonably.

APPENDIX 1

Service Level Table

The definitions below for each Service Level is as further defined in Schedule 2, and with relevant process steps further documented in the SOPs.

For clarity the SLAs below will be measured and reported individually for every Region in scope

SL #	Service Level Item	Definition	Measurement Period	Business Criticality	Target Service Level	Minimum Service Level	Reporting Tools	Service Credit Allocation %
1	Customer Satisfaction	Provision of Customer's customer satisfaction survey (CSAT) as an average of all valid survey responses	Quarterly	Business Critical	4.5/5	4.0/5	PMI CSAT survey tool (or equivalent)	50%
2	Cycle Time	% of Sourcing/Contract Management/SRM requests completed within timelines as agreed with the requester	Monthly	Business Critical	95%	90%	Supplier monthly reporting tool	15%
3	Response Time	% of all Requests (Sourcing, Contract Management, SRM, etc.) Responded within time period specified	Monthly	Business Critical	98%	95% within 48 hours; and 100% within 72 hours	Supplier monthly reporting tool	15%
4	Delivery Non-Adherence Cases	% of all requests not completed in adherence with documented processes and procedures	Monthly	Business Critical	2%	5%	Supplier monthly reporting tool	20%
5	Standard supplier spend routed	% of increase in Tactical Demand spend routed to Customer defined standard suppliers in current year vs. previous year where Supplier was requested to initiate Sourcing Projects	Annually	Non-Critical	20%	10%	To be identified during Transition	Not Applicable
6	Number of projects covered	% of total number of in-scope Sourcing Projects where Supplier was involved in	Monthly	Non-Critical	99%	Set by Baseline	Customer Scout / Workday tool	Not Applicable

SL #	Service Level Item	Definition	Measurement Period	Business Criticality	Target Service Level	Minimum Service Level	Reporting Tools	Service Credit Allocation %
		providing execution support						
7	Spend covered	% of total Addressed Spend for in-scope Sourcing Projects where Supplier was involved in providing execution support	Monthly	Non-Critical	99%	Set by Baseline	Customer Scout / Workday tool	Not Applicable
8	Project adherence	% of total number of Sourcing Projects executed by Supplier marked as compliant to Scout / Workday adherence check	Monthly	Non-Critical	100%	99%	To be identified during Transition	Not Applicable
9	Demand visibility	% of Tactical Demand spend visible to Supplier in advance of a request being received	Monthly	Non-Critical	85%	Set by Baseline	To be identified during Transition	Not Applicable
10	Delivery efficiency	% of increase in E2E Tactical Sourcing Projects managed per year per FTE (Supplier resource allocated to E2E Tactical Sourcing) in current year vs. previous year	Annually	Non-Critical	5%	N/A	To be identified during Transition	Not Applicable

Savings

SL #	Service Level Item	Definition	Reporting Frequency	Business Criticality	Target Service Level	Minimum Service Level	Reporting Tools	Savings Credit allocation %
11	Cost Savings	Cost Savings achieved by Supplier vs. Savings target agreed with PMI (in %)	Annually	Business Critical	Achieve the Target Annual Savings Amount(determined by the Target Savings Level of 10%)	Achieve the Target Annual Savings Amount (determined by the Target Savings Level of 10%)	PMI savings tracker tool	100%

Appendix 2

Bonus / Malus Examples

(examples provided below based on APAC Region scope)

BONUS CALCULATION													
Table 1 : Example of Savings Bonus amount linked to annual Total Cost Savings Performance %													
Target Savings Level		%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Annual Addressed Spend		\$ million	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0	85.0
Target Savings Amount		\$ million	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Total Cost Savings Amount		\$ million	8.0	8.5	9.0	9.5	10.0	10.5	11.0	11.5	12.0	12.5	13.0
Total Cost Savings %		%	9.4%	10.0%	10.6%	11.2%	11.8%	12.4%	12.9%	13.5%	14.1%	14.7%	15.3%
Total Cost Savings Performance	A	%	94.1%	100.0%	105.9%	111.8%	117.6%	123.5%	129.4%	135.3%	141.2%	147.1%	152.9%
Dead band for bonus application	B	%	110.0%	110.0%	110.0%	110.0%	110.0%	110.0%	110.0%	110.0%	110.0%	110.0%	110.0%
Calculated Savings Performance	A - B	%	n/a	n/a	n/a	1.8%	7.6%	13.5%	19.4%	25.3%	31.2%	37.1%	42.9%
Total Operational Service Charges	C	\$ million	1.477	1.477	1.477	1.477	1.477	1.477	1.477	1.477	1.477	1.477	1.477
Achieved Savings Bonus	(A - B) x C / 2	\$	Zero	Zero	Zero	13,032	56,474	99,915	143,356	186,797	221,550	221,550	221,550
Bonus Cap - Savings At Risk Amount	@ 15%	\$	221,550	221,550	221,550	221,550	221,550	221,550	221,550	221,550	Cap	Cap	Cap
Table 2 : Example of Savings Bonus amount linked to annual Total Cost Savings Performance %													
Target Savings Level		%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Annual Addressed Spend		\$ million	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0
Target Savings Amount		\$ million	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Total Cost Savings Amount		\$ million	6.2	6.5	7.0	7.2	7.5	8.0	8.2	8.5	9.0	9.2	9.5
Total Cost Savings %		%	9.5%	10.0%	10.8%	11.1%	11.5%	12.3%	12.6%	13.1%	13.8%	14.2%	14.6%
Total Cost Savings Performance	A	%	95.4%	100.0%	107.7%	110.8%	115.4%	123.1%	126.2%	130.8%	138.5%	141.5%	146.2%
Dead band for bonus application	B	%	110.0%	110.0%	110.0%	110.0%	110.0%	110.0%	110.0%	110.0%	110.0%	110.0%	110.0%
Calculated Savings Performance	A - B	%	n/a	n/a	n/a	0.8%	5.4%	13.1%	16.2%	20.8%	28.5%	31.5%	36.2%
Total Operational Service Charges	C	\$ million	1.477	1.477	1.477	1.477	1.477	1.477	1.477	1.477	1.477	1.477	1.477
Achieved Savings Bonus	(A - B) x C / 2	\$	Zero	Zero	Zero	Zero	Zero	96,573	119,296	153,381	210,188	221,550	221,550
Bonus Cap - Savings At Risk Amount	@ 15%	\$	221,550	221,550	221,550	221,550	221,550	221,550	221,550	221,550	Cap	Cap	Cap

[illegible]

Table 3 : Example of Savings Malus amount linked to annual Total Cost Savings Performance %

[illegible]

Table 4 : Example of Savings Malus amount linked to annual Total Cost Savings Performance %

[illegible]

Schedule 4

Charges

1. TOTAL CHARGES TO THE CUSTOMER

- 1.1 Except where expressly stated to the contrary (including as stated in Paragraph 7 below), all Services under this Agreement are:
 - 1.1.1 provided on a fixed price basis; and
 - 1.1.2 inclusive of all out of pocket expenses, travel, boarding, lodging and other miscellaneous costs (unless, on a case-by-case basis, the Customer has (in its sole discretion) agreed in advance and in writing to reimburse Supplier for the expense).
- 1.2 In no event will Supplier be entitled to charge the Customer Group for, or receive payment from the Customer Group of, any charges, costs or fees not specifically described in this Schedule 4 (Charges) whether under this Agreement or under the First Local Agreement. Any element of the Services which are not directly chargeable pursuant to this Schedule (including Transition, Transformation, governance and reporting) are factored into the Charges for the Chargeable Service Element.
- 1.3 Local Agreements: All Charges set out in or due under this Agreement shall be paid under this Agreement or the applicable Local Agreements (as agreed under Schedule 19). All Charges (except Project Charges) set out in this Agreement shall be payable under the First Local Agreement (once signed). To the extent that Operational Services Charges are not referenced for a specific or new geography in this Schedule 4 this Agreement or the applicable subsequent Local Agreement shall set out the specific Operational Service Charges applicable to that Local Agreement, but shall be based on the principles set out in this Agreement (including this Schedule 4, but excluding Appendix A to this Schedule 4). If explicitly agreed to under a Local Agreement in accordance with Schedule 19:
 - 1.3.1 all Operational Service Charges (as adjusted from time to time in accordance with Schedule 4) shall be paid solely by the entity that is a signatory to the applicable Local Agreement (and not the Customer under this Agreement, unless it is also a signatory to the Local Agreement). For the First Local Agreement such Operational Service Charges shall be as set out in Appendix A to this Schedule 4. For subsequent Local Agreements the Operational Service Charges shall be as set out in those Local Agreements;
 - 1.3.2 all Charges that relate to the provision of Transition Services shall be paid solely by the entity that is a signatory to the Local Agreement (and not the Customer under this Agreement, unless it is also a signatory to the Local Agreement). For the First Local Agreement there are no such Charges payable. For subsequent Local Agreements the Charges for Transition Services (if any are agreed) shall be as set out in those Local Agreements;
 - 1.3.3 all Charges arising out of a Change to Services provided under a Local Agreement shall be payable on the same basis as the Operational Service Charges as set out in Paragraph 1.3.1;
 - 1.3.4 subject to Paragraph 1.3.5, all other Charges (including a Change that applies to multiple Local Agreements) shall be split equally across all Local Agreements in place at

that time to reflect the usage (which shall be calculated as that Local Agreement's proportion of the global total Operational Service Charges under all Local Agreements) by the relevant Local Customer Affiliate, or such other basis determined by Customer from time to time. By way of example if there were only one Local Agreement in place, all other Charges will be paid 100% by the signatory to that Local Agreement. If there are two Local Agreements and one accounts for volumes of Services that account for 60% of the Operational Service Charges, then that signatory to the Local Agreement shall also pay 60% of all other Charges.

1.3.5 If a Local Agreement is terminated but other Local Agreements remain in place, then the Termination Charges due and payable in respect of that Local Agreement shall be paid solely by the entity that is a signatory to the Local Agreement.

1.4 Project Charges: all Project Charges for Additional Services shall be paid solely by the Customer Affiliate that enters into such Project Agreement, to the Supplier Affiliate that enters into that Project Agreement.

1.5 Notwithstanding anything to the contrary, no Charges are payable under this Agreement or the First Local Agreement until they become chargeable pursuant to in Paragraph 3.1.

2. DEFINITIONS:

2.1 "**Actual Volume**" means the actual number of Service Units in a calendar year.

2.2 "**Additional Termination Fees**" means the amounts specified in Appendix B, being the amount specified for the relevant month in which the termination is effective. The Additional Termination Fee are to compensate Supplier on its costs incurred during Transition.

2.3 "**Baseline Band**" means the Service Unit Band that contains the Baseline Service Unit Volume plus and minus the Deadband.

2.4 "**Base Charges**" means the Charges set out in either Table A or Table B of Paragraph 3 of Appendix A for each Chargeable Service Element. Table A and Table B are alternatives, and only one will apply.

2.5 "**Baseline Service Unit Volume**" means the number of Service Units against which the Base Charges will be applied for each Chargeable Service Element, as specified in Paragraph 2 of Appendix A. For reference only, these baselines were taken from calendar year 2020.

2.6 "**Chargeable Service Element**" means those Service Elements which have an element of the Base Charges specified against them in Paragraph 3 of Appendix A

2.7 "**Deadband**" means 10% plus or minus from the Baseline Service Unit Volume.

2.8 "**Operational Service Charges**" means the Base Charges, after the application of the Volume Change Mechanism (if and when applicable).

2.9 "**Operational Services**" means all Services provided pursuant to this Agreement other than Transition Services and Transformation Services (and for the avoidance of doubt, excluding Additional Projects).

2.10 "**Service Unit Band**" means each row of each table in Paragraph 4 of Appendix A which sets out a banding of Service Units for that Chargeable Service Element.

- 2.11 **"Service Units"** are the units of measurement for each Chargeable Service Element. Such units of measure are defined at Paragraph 1 of Appendix A, and applied in Paragraph 2 of Appendix A.
- 2.12 **"Supplier Expense Guidelines"** means the document titled Supplier Expense Guidelines and located at <https://www.pmi.com/legal/legal-documents> (as such guidelines may be updated from time to time).
- 2.13 **"Termination Charge"** means the Charges specified in Appendix B, being the amount specified for the relevant month in which the termination is effective. Unless the context otherwise requires, Termination Charges includes Additional Termination Fees.
- 2.14 **"Volume Change Mechanism" or "VCM"** means the process set out in 3.8 of this Schedule.

3. OPERATIONAL SERVICE CHARGES

- 3.1 In consideration for the provision of the Operational Services, Customer shall pay the Operational Service Charges. It has been agreed that:
- 3.1.1 no Operational Service Charges shall accrue or be payable until the Full Go Live with an exception of relevant Chargeable Service Element and Markets that have gone Live in April 2025, and then only the parts of the Operational Service Charges which relate to that Chargeable Service Element shall be payable from the relevant Go Live Date. In the scenario where one or multiple countries within a region go live, the services linked to this country become payable;
- 3.1.2 For the Service Elements and Markets gone live in April 2025, charges will be based on points mechanism , illustrative example in Appendix A. Minimum fee applicable is \$15,000 . Fee for April is capped at a maximum of \$25,000;
- 3.1.3 Charges for April will be invoiced in May 2025; and
- 3.1.4 Commencing May 1 2025, steady state charges will be applicable.
- 3.2 The Operational Service Charges are made up of a number of Chargeable Service Elements, all of which are set out as separate rows in the table at Paragraph 3 of Appendix A. The Parties acknowledge and agree that each Service Element shall be provided from the respective Go Live Dates, but to the extent this is before the date such Services are chargeable (pursuant to Paragraph 3.1 above) then such Services shall be provided without charge.
- 3.3 Subject to Paragraph 3.1, the Operational Service Charges shall only be payable during the part of the Term that the relevant Chargeable Service Elements are provided. For the avoidance of doubt the Base Charges set out in Paragraph 3 of Appendix A are:
- 3.3.1 for Year 1, stated as monthly charges (based on a full month provision of the Operational Services (and will need to be pro-rated for partial months)); and
- 3.3.2 for Year 2 onwards, stated as annual charges (based on a full 12 months (and will need to be divided into 1/12th of such amounts to calculate the monthly Base Charges)).
- 3.3.3 By way of example (excluding any changes required due to forecasting, and assuming 1st February 2025 is the Transition Start Date):
- (a) if the Service Element fully Goes Live is on 1st April 2025 then no Charges are payable pursuant to Paragraph 3.1.1 for April. From May 2025 the Charges will be payable as per the next example;

- (b) if all the Service Elements except E2E Tactical Sourcing and E2E Contract Management fully Go Live is on 1st May 2025 then the first invoice would be submitted on 25th May 2025 for the amount specified in the Base Charges in Paragraph 3 of Appendix A taken from Table B being \$132,100 - \$48,100 - \$3,700 = \$80,300;
- (c) further if for the remaining E2E Tactical Sourcing and E2E Contract Management Service Elements the Go Live is on 15th June 2025 then the full monthly Base Charge for that Service Element would be pro-rated and reduced by 50% pursuant to Paragraph 8.1.4, and the invoice submitted on 25th June 2025 would include half the amount specified in the Base Charges in Paragraph 3 of Appendix A taken from Table B for E2E Tactical Sourcing being $(\$48,100 + \$3,700) \times 15/30 = \$25,900$ to be added to the other Service Elements monthly Base Charge of \$80,300 giving a total monthly Base Charge of \$106,200;
- (d) and therefore for Year 1 overall the amount invoiced for the period between 1st February 2025 and 31st January 2026 applicable for the Charges covering the 9-months would be \$1,111,200 calculated as $\$80,300 + \$106,200 + (\$132,100 \times 7)$;
- (e) From February 2026 which would be the start of Year 2 the Supplier would invoice 1/12th of the amount specified for Year 2 (as from Year 2 the amounts are specified as annual) for each month during Year 2.

3.3.4 There are two alternative sets of Base Charges in Paragraph 3 of Appendix A, Table A and Table B. If the Transition Notice Date is on or before 31st May 2022 then Table A (only) will apply. If the Transition Notice Date is on or after 1st June 2022 then Table B (only) will apply. These tables are alternatives, and only one shall apply.

- 3.4 Only certain Chargeable Service Elements are subject to the Volume Change Mechanism. The table set out in Paragraph 3 of Appendix A specifies (in the column marked "Subject to VCM?") whether the Volume Change Mechanism applies or not to that Chargeable Service Element (with a "Y" meaning it applies).
- 3.5 If the Volume Change Mechanism is stated to apply to a specific Chargeable Service Elements in accordance with 3.4 above, then the Operational Service Charges shall be calculated in accordance with, and subject to adjustment under, the Volume Change Mechanism.
- 3.6 If the Volume Change Mechanism is stated to not apply to a specific Chargeable Service Elements, then the Operational Service Charges for that Chargeable Service Element shall be calculated solely on the basis of the Base Charges (as specified in the table at Paragraph 3 of Appendix A) and shall not be subject to adjustment under the Volume Change Mechanism or to any other automatic adjustment, regardless of the volume of Service Units.

3.7 Applicable for Asia scope: If there are factors specified in the column marked "Pricing Factors" in Paragraph 2 of Appendix A which are exceeded by a material amount (being no less than 25% (or such higher percentage specified in Appendix A)) change from the amounts specified in Appendix A (e.g. for a 70:30 split, this would be a 25% change to the 70%) then provided the Service Units are outside of the Baseline Band then either Party shall be entitled to raise this via Governance and if mutually agreed the Charges adjustments specified in the Service Unit Bands specified in Paragraph 4 of Appendix A may be adjusted on a forward looking basis to reflect the reality. Pricing Factors are separate from the Volume Change Mechanism, and may apply alongside or instead of the Volume Change Mechanism (in each case as specified in Paragraph 2 of Appendix A) but do not give Supplier any right to increase the Charges unless agreed by Customer in accordance with this Paragraph 3.7. Note Paragraph 3.6 to 3.8 of Schedule 2 which have a similar but separate regime based on language ratios.

3.8 Volume Change Mechanism – Applicable at a regional level

3.8.1 True up / True Down:

- (a) prior to the 25th of January at the start of each calendar year (excluding Year 1) the Parties shall review the Actual Volumes for each Chargeable Service Element over the course of the previous calendar year and shall adjust the Charges to reflect the Actual Volume.
- (b) It is agreed that the Services will be subject to seasonal peaks, and Actual Volumes shall only be considered in the aggregate after the end of a calendar year and not during a calendar year.
- (c) For each Chargeable Service Element, if the Actual Volume of Service Units for a calendar year is:
 - (i) outside of the Baseline Band, but within another specified Service Unit Band then the Operational Service Charge for that Chargeable Service Element shall be adjusted by the corresponding amount for that Service Unit Band.
 - (ii) outside any agreed Service Unit Band then Paragraph 3.9 shall apply.
- (d) Any increase or reduction in the Charges required as a result of the Volume Change Mechanism shall be made in the invoice submitted in the January of the following calendar year (i.e. the same month that the true up / true down calculation is made).
- (e) An example of the Volume Change Mechanism in operation is provided below for Asia Geography:

The example Actual Volumes for calendar year 2024 are measured for such annual 12 months period and fall outside of the VCM Baseline Band for the following Service Elements :

- E2E Tactical Sourcing with Service Units at 725 Tactical Sourcing Projects
- Sourcing Process Support with Service Units at 730 Sourcing Events

For the E2E Tactical Sourcing the volume falls in Band 11 which has an additional annual charge amount of \$40,800, and therefore a true-up amount of \$40,800 would be payable by Customer for calendar year 2024. For the Sourcing Process Support the volume falls in Band 5 which has a reduced annual charge amount of -\$15,600, and therefore a true-down amount of -\$15,600 would be creditable by Supplier for calendar year 2024. The resulting

VCM adjustment payable by Customer for calendar year 2024 would be determined as \$40,800 - \$15,600 = \$25,200.

- (f) An example of the Volume Change Mechanism in operation is provided below for MEA CIS and LAC Geography:

If the annual volumes for English language are E2E projects (200), SPS Projects (100), E2E Contracts and Amendments (100), SRM QBR support vendors(50), SRM Ecovadis Support vendors(70), SRM RSP Documents (60)

Refer table in section 3.7 Appendix A of Schedule 4 'Service Unit Bands (For MEA CIS and LAC GEOGRAPHY) . Total annual points for English for the volumes in the given example is 7267

(i.e $200*25+100*15+100*7+50*9+70*2+60*2=7910$)

Refer Table 'Annual points summary' for points available for each language. Total Annual points for English is 6945. Deadband +/-10% is +/-694 . Hence total English language credits including deadband is 7639

Variance from deadband = $7910-7639= 271$

Please refer MEA CIS And LAC AUC RUC Table for charges

Refer Table 'AUC RUC Charges for MEA CIS and LAC'. Variance lies in the band 2, English is serviced from India Delivery Centre hence Additional Usage Charges applicable are \$23,400

3.8.2 Forecasting:

- (a) In the January of each calendar year (or, for Year 1, after the Transition Start Date but before the Final Go Live Date (whichever month that is)) the Customer may determine (in consultation with the Supplier and based on the prior calendar year's volumes to the extent relevant) the volume of Service Units per Chargeable Service Element that are likely to be incurred in that calendar year. Supplier shall adjust the monthly billing schedule of Charges for the calendar year to which the forecast relates based on Customer's forecast and using the principles set out in Paragraph 3.8.1 but on a prospective basis (provided that the forecast cannot include volumes that would constitute an Extraordinary Event without Supplier's agreement).
- (b) The adjustments made via the forecast remain subject to the true up / true down process set out in Paragraph 3.8.1 so that the Operational Service Charges post that process reflect the amount chargeable for the Actual Volumes (taking into account any amounts adjusted as part of the forecast). By way of example if a reduction is made by way of a forecast but the volumes remain per the baseline, then a correcting payment would be needed to repay the reduction so that post the true up / true down process the amount paid in aggregate is equal to the base charges for that Chargeable Service Element.

3.8.3 All adjustments under the Volume Change Mechanism shall be in relation to the specific Chargeable Service Element, and not the aggregate of the Chargeable Service Elements.

- 3.9 Subject to Paragraph 3.10, the addition or removal of Customer Sites and Customer Countries to this Agreement or any Local Agreement shall not be chargeable or otherwise increase the Charges other than to the extent these new Customer Sites or Customer Countries use Service Units (and in such a case the Volume Change Mechanism shall apply).
- 3.10 If a Customer Country is added which:
- 3.10.1 contains the requirement for support in a new unsupported language;
 - 3.10.2 requires materially different working hours; or
 - 3.10.3 requires material changes to the Services to reflect any additional mandatory requirements under the Applicable Law of that new Customer Country; or
 - 3.10.4 requires material additional efforts for transition or change management,
then the Parties shall agree via the Change Control Procedure any required changes to compensate Supplier for its demonstrable additional costs caused by such additional requirements.
- 3.11 Extraordinary Event: For Chargeable Service Elements that are subject to the Volume Change Mechanism if Actual Volumes of Service Units increase or decrease by more than the amounts specified in the Service Unit Bands for any reason (including, for example, as the result of an acquisition or divestiture) for a specific Chargeable Service Element in a given calendar year (each such event, an "Extraordinary Event") then corresponding changes to the Operational Service Charges will be agreed by the Customer and the Supplier via the Change Control Procedure, on the following basis:
- 3.11.1 in the case of increased volume, the corresponding Charges per Service Unit will be lower than the previous Charges per Service Unit and would result in the Customer receiving the full benefit of increased efficiencies and economies of scale as well as other cost savings resulting from such substantially increased volumes; and
 - 3.11.2 in the case of decreased volume, the corresponding Charges per Service Unit might be higher than the previous Charges per Service Unit to the extent Supplier is able to demonstrate to Customer's reasonable satisfaction that there has been an increased cost to Supplier due to loss of efficiencies and economies of scale resulting from such substantially decreased volumes (provided that the total Charges will still be lower in aggregate than if the standard Volume Change Mechanism had applied e.g. if the Service Unit Bands were to cover the Baseline Service Unit Volume +/- 30% then 65% of the Baseline Service Unit Volume would be an Extraordinary Event, but 65% will be cheaper than 70% overall, albeit the amount of the decrease in Charges from 70% to 65% will be smaller than a decrease in the Charges from 75% to 70%).
 - 3.11.3 The Parties shall agree such changes via the Change Control Procedure. For the period of time prior to the Parties agreeing on pricing adjustments resulting from an Extraordinary Event, the existing increase and decrease mechanisms in Paragraph 3.8 shall continue to apply (applying the closest applicable Service Unit Band).
 - 3.11.4 If required by Customer the Parties shall, using the process above, create additional Service Unit Bands.
- 3.12 Supplier may send the invoice for a specific month of Operational Services on the 25th day of the month in which those Services are delivered (e.g. an invoice for May 2025 would be submitted on 25 May 2025).

4. TRANSITION AND TRANSFORMATION

- 4.1 Transition Services and Transformation Services are not separately chargeable, and are factored into and form part of the Operational Service Charges and the Termination Charges.

5. TECHNOLOGY

- 5.1 Subject to agreement via the Change Control Procedure, there shall be no Charges, fees or expenses for any Supplier Technology:
 - 5.1.1 used by Supplier; or
 - 5.1.2 used by Customer Group.
- 5.2 Any Customer Technology shall be provided at Customer's expense.

6. ADDITIONAL PROJECTS

- 6.1 Additional Projects shall be agreed under Project Agreements, in accordance with Section 9 and Schedule 20.
- 6.2 The Rate Cards are set out in Appendix C to this Schedule.
- 6.3 The parties to a Project Agreement shall:
 - 6.3.1 specify how the Charges for the Services shall be charged, for example:
 - (a) on a time and materials ("T&M") basis;
 - (b) on a fixed price basis; or
 - (c) a combination of the two (including, for example, risk and reward, capped T&M etc),
 - 6.3.2 in respect of those Services to be charged on a time and materials basis:
 - (a) specify in the Project Agreement an agreed Project Estimate, which shall be prepared by the Supplier in accordance with this Paragraph and shall be prepared at such level of detail as agreed by the parties to that Project Agreement;
 - (b) except where otherwise requested by the Customer, the Supplier will prepare all estimates, quotes and Charges for people resource provided under this Agreement (where this Agreement does not otherwise set a price for it) by applying rates no higher than the Day Rates based on skill sets as set out in Rate Card and wherever not available based on mutually agreed rates.
 - (c) Supplier will only offer appropriately qualified and experienced people for the tasks to which they will be assigned. Where Customer requests, the Supplier will validate, through the provision of required documentation (e.g. curriculum vitae), that the person is appropriately qualified. Where the Supplier is unable to offer such people, then the Supplier will offer people at a level above that required but will only charge the Day Rates for the level of experience that the task requires.
 - 6.3.3 for fixed priced projects, Supplier shall calculate any elements of the fixed price that reflects effort by Supplier Personnel using rates no higher than the Rate Card.

6.4 The Rate Cards set out the maximum Day Rates that the Supplier may charge for Supplier Personnel. The Day Rates may be subject to volume discounts and discounts may also be negotiated in advance of the activity to which they apply. For those skillsets not explicitly mentioned in the Rate Card, mutually agreed rates will be applicable.

6.5 Day Rates

6.5.1 Where using Day Rates Supplier shall only be entitled to charge for Personnel time where that Personnel has provided Services for no less than 8 hours in a single Business Day. No pro-rata days are permitted, and no overtime is chargeable if Personnel work more than 8 hours.

6.6 Additional Project Expenses

6.6.1 Except where the amount of the expense is included as a separate item in the applicable Rate Card, the Supplier will not be entitled to charge expenses in addition to the other Charges.

6.6.2 Where agreed in a Project Agreement that the Supplier is entitled to charge expenses for an Additional Project, these will be charged in accordance with Paragraph 7.

7. EXPENSES

7.1 No expenses are payable under this Agreement unless expressly stated in this Paragraph 7 or agreed in a Project Agreement in accordance with Paragraph 6.6.

7.2 The Parties have agreed that Customer shall reimburse Supplier up to \$50,000 per Scope Region for travel expenses incurred in the provision of the Transition Services .

7.3 To the extent expenses are reimbursable by Customer, then:

7.3.1 these will be passed through to Customer without any mark-up or margin:

7.3.2 shall additionally be subject to the Customer's Supplier Expense Guidelines; and

7.3.3 each expense shall be specifically approved in writing in advance of it being incurred by Customer's authorized representative.

8. CHARGES & INVOICING

8.1 General

8.1.1 Other than further Charges agreed by the Parties in accordance with the Change Control Procedure, no Charges other than those payable under this Schedule are payable by Customer in respect of the Services or otherwise under this Agreement, nor is the Supplier entitled to recover any costs, expenses or compensation of any kind from Customer in addition to the Charges, except where such right of recovery is expressly set out in this Agreement or as permitted by law.

8.1.2 The Supplier confirms that the Customer will not be required to pay any other fees, or expenses to the Supplier under or in connection with this Agreement other than those outlined in this Schedule 4 (Charges).

8.1.3 Annual Charges shall be payable monthly (by dividing such annual amount equally by 12).

- 8.1.4 Charges shall be pro-rated to reflect any shorter period of applicability during the Term (e.g. partial months for monthly Charges and/or partial years for annual Charges) in which those Charges are payable. For example, if a Go Live Date does not occur on the 1st of the month, then any Operational Service Charges which are expressed to be payable on a monthly basis will be pro-rated for that first month to reflect the number of days in the month which remain from (and including) the Go Live Date.

8.2 Charging Mechanism

- 8.2.1 Unless otherwise specified in this Agreement, all Charges shall be invoiced monthly in arrears.

- 8.2.2 The Supplier will provide in its monthly Charges invoices to the Customer with sufficient detail to permit reconciliation and Customer's verification of invoices to the Charges set out in this Schedule. The Supplier takes responsibility to include accurate information. Based on the Customer's verification process should the Customer require any reasonable additional information for approving the invoice, the Customer may reasonably request for such additional information and the Supplier shall provide the requisite details.

- 8.3 For all Services, the Supplier shall submit invoices only during the Term of the Agreement for applicable Charges.

- 8.4 Each invoice from the Supplier will be in the format as Customer reasonably requires, and will:

- 8.4.1 reflect and support the provisions set out in this Schedule;
- 8.4.2 clearly show the basis of the Charges including the calculations used to establish the Charges clearly identify the amounts of any taxes being collected by the Supplier and the specific tax rates at which any taxes are being levied on the Charges;
- 8.4.3 for Operational Service Charges, set out the Charges per Chargeable Service Element and clearly identify any increase or decrease to reflect the application of any alternative Service Unit Band through the operation of the Volume Change Mechanism (and to which Chargeable Service Element they relate);
- 8.4.4 clearly identify the amount of any Service Credits, penalties or other refunds or credits due to Customer;
- 8.4.5 include the correct purchase order number; and
- 8.4.6 only cover the Charges specific to the related single purchase order number.

- 8.5 The Supplier will submit invoices to the entity set out by the Customer. Invoices will be submitted to such authorized representative as may be appointed by the Customer from time to time.

8.6 Invoicing and Payment

- 8.6.1 The Supplier may only submit invoices in respect of Charges once the relevant criteria in this Schedule 4 have been met.
- 8.6.2 The Supplier will provide in its invoices to Customer sufficient detail to permit reconciliation of invoices to the Charges set out in this Schedule 4 (Charges).

- 8.6.3 Without prejudice to Customer's other rights, on a quarterly basis the Parties will discuss any trend in volume discrepancies vs the forecast via Service Governance.
 - 8.6.4 The Parties will agree to any adjustments to processes that are necessary to avoid the cause of any identified volume discrepancies arising in the future as part of Governance.
 - 8.6.5 Subject to provisions set in this Paragraph 8.6, the Customer will pay a valid invoice received from the Supplier within 120 days of receipt provided that in each case (i) the invoice constitutes a valid and proper tax invoice in accordance with applicable law, (ii) the amounts are chargeable and not disputed; and (iii) the invoice complies with points mentioned in Paragraph 8.
- 8.7 Payments by the Supplier
- 8.7.1 If the Supplier is required to make any payments to Customer otherwise than by way of a credit, or refund, Customer may raise an invoice to the Supplier in respect of that payment.
 - 8.7.2 The Supplier will pay an invoice received from Customer within 30 days after the receipt of that invoice provided that (i) the invoice constitutes a proper tax invoice (if applicable) and (ii) the amounts are chargeable and not disputed.
 - 8.7.3 Nothing in this paragraph prohibits the raising of credits or refunds through any other process or requires Customer to raise an invoice.
 - 8.7.4 If at any time the Customer is obliged to make any deductions from payments to the Supplier as withholding tax, both Parties will review their own situations and evaluate alternatives that would reduce the effective tax cost going forward, taking both Parties' interests into consideration.

9. TERMINATION AND TERMINATION CHARGES

- 9.1 In the event that Customer terminates this Agreement for convenience and that termination takes final effect in a month which has Termination Charges specified for it in Appendix C, then those Termination Charges will be payable to the Supplier in respect of that termination. For example if termination is effective in Month 30, then only the figure (including the Termination Charge itself, and the relevant Additional Termination Fee) specified for Month 30 shall be payable. Where Customer terminates a sub-set of the Services for which there is a specific partial Termination Charge, then only that part of the Termination Charge shall apply.
- 9.2 The Termination Charges fully compensate Supplier for all costs and potential costs arising from a termination and in no event shall the Supplier be entitled to any further payment or any claim for losses, costs or expenses in respect of such termination. In no event will Supplier be entitled to any further payment in respect of such termination, other than Charges incurred for the delivery of Services prior to the effective date of such termination.
- 9.3 Except as stated in the next sentence, in the event that this Agreement expires at the end of the Initial Term or any Renewal Term or Customer terminates this Agreement or particular Services for cause (i.e. any termination which is not "for convenience") then no Termination Charge will be payable to the Supplier in respect of that termination. There may still be Additional Termination Fees payable for non-renewal or termination for convenience post the

expiry of the Initial Term, to the extent such Additional Termination Fees are specified in Appendix B of Schedule 4 (Charges).

- 9.4 The Termination Charges reflect the amount payable for a complete termination. Where Customer terminates a sub-set of the Services for which there is a no specific partial Termination Charge, then the Supplier and the Customer will mutually agree on any reduction in Termination Charge due to partial termination in the event any of the costs making up the Termination Charge does not occur or reduces the impact of such costs to the extent of possible reduction in such costs.

9.4.1 The Termination Charge due pursuant to this Paragraph 9 will be payable as follows:

- (a) 50% to be invoiced on the date of termination; and
- (b) 50% to be invoiced after 2 months following the date of successful completion of the Termination Services.

9.4.2 Unless otherwise stated in the relevant Project Agreement, there will be no charge for the cancellation of an Additional Project, including for in-flight Additional Projects that are transferred to a replacement supplier or closed down as part of the transfer of any removed Services, except if such termination is for the convenience of Customer and not be reason of any default by Supplier, in which case Customer will pay the reasonable, demonstrable, unavoidable costs that are agreed by the Parties in the Project Agreement at the time of agreeing on the Additional Project.

9.5 Termination Services shall be chargeable in accordance with Schedule 15 of the Agreement

10. FOREIGN EXCHANGE

10.1 In each case unless specified otherwise (including in the Local Agreement), all Charges:

- 10.1.1 are specified in USD ("Contract Currency")
- 10.1.2 will be invoiced in USD ("Invoice currency"):
- 10.1.3 will be paid in USD ("Payment currency").

10.2 In the case the Invoice Currency differs from the Contract Currency, the conversion between the currencies shall be made using the daily exchange rate (ask price) at the last Business Day prior to the date on which Supplier is entitled to raise the invoice, as reported by www.oanda.com.

11. INCREASES AND INDEXATION

- 11.1 Supplier shall not be permitted to increase the Charges during the Term for any reason, except as expressly permitted by this Schedule (e.g. through the operation of the Volume Change Mechanism).
- 11.2 To the extent any increase is permitted to reflect inflation or indexation, then this is already reflected in the fixed Operational Service Charges in Appendix A (which do include certain inflation linked increases over time). Other than as already set out in Appendix A as at the Effective Date, the Charges shall not increase during the Term to reflect any indexation or inflation.
- 11.3 To be clear, references to Charges includes the Rate Cards and unit charges used to calculate the Charges and expenses (to the extent that the Supplier is entitled to charge for expenses).

12. CREDITS

12.1 Service Credits shall

12.1.1 be applied to reduce the Charges payable under this Agreement, and shall be paid to Customer by way of a credit against the next invoice that is raised by or on behalf of the Supplier at the end of each calendar quarter following the end of the applicable Earnback Period provided no Earnback of that Service Credit has been achieved. For the avoidance of doubt Customer waits until the end of the Earnback Period for Service Credits to be paid to avoid being credited and then later debited for the same amount so Earnback will only operate to offset a Service Credit and will not be separately payable by Customer.

12.1.2 If any Service Credit remains outstanding upon the expiration or termination of this Agreement, and no Charges remain payable, the Supplier will pay the Customer such remaining amount after such expiration or termination.

12.2 Savings Bonus and Savings Malus

12.2.1 Subject to Paragraph 8.2, the Supplier shall include any payments accruing in a Calendar Year for Savings Bonus and Savings Malus as line items on the invoice due in April following the end of the Calendar Year in which such charges were accrued.

12.2.2 If no further invoices are payable upon the expiration or termination of this Agreement, the relevant Savings Bonus or Savings Malus, once calculated, may be separately invoiced and will be paid following termination.

13. BENCHMARKING

13.1 The Charges may be reduced in accordance with Schedule 18 (Benchmarking).

Appendix A

CHARGES

1. Service Units

The following definitions shall apply:

The following definitions relate to the Volume Change Mechanism:

- 1.1 **"Sourcing Projects"** means IMS Projects and TP Projects;
 - 1.1.1 **"IMS Projects"** means a procurement project that is executed to source goods or services required by Customer from a Third Party Vendor, in the IMS category of Customer;
 - 1.1.2 **"TP Projects"** means a procurement project that is executed to source goods or services required by Customer from a Third Party Vendor, in the TP category of Customer;
- 1.2 **"Sourcing Events"** means IMS Events and TP Events in relation to Strategic Sourcing Projects (for the avoidance of doubt, this does not include sourcing events linked to Tactical Sourcing Projects);
 - 1.2.1 **"IMS Events"** means the individual sourcing event(s) (being RFI, RFQ, RFP, auction, or benchmarking) that are initiated for a given Strategic Sourcing Project in the IMS category of Customer;
 - 1.2.2 **"TP Events"** means the individual sourcing event(s) (being RFI, RFQ, RFP, auction, or benchmarking) that are initiated for a given Strategic Sourcing Project in the TP category of Customer;
- 1.3 **"Contract Events"** means New Contracts and Amendments;
 - 1.3.1 **"New Contracts"** means any new binding contract agreed and signed between Customer and a Third Party Vendor as an outcome of a Sourcing Project;
 - 1.3.2 **"Amendments"** means any formal legal amendment or variation to an existing Third Party Vendor contract agreed and signed between Customer and the Third Party Vendor;
- 1.4 **"Supported Suppliers"** means Supported Tactical Suppliers and Supported Strategic Suppliers;
 - 1.4.1 **"Supported Tactical Suppliers"** means the Third Party Vendors which are identified by Customer as tactical suppliers and required by Customer to be supported by Supplier;
 - 1.4.2 **"Supported Strategic Suppliers"** means the Third Party Vendors which are identified by Customer as strategic suppliers and required by Customer to be supported by Supplier;
- 1.5 **"IMS"** means Indirect Materials and Services category of Customer;
- 1.6 **"TP"** means Technical Procurement category of Customer;

Other definitions:

- 1.7 **"Supplier Issues"** means Strategic Supplier Issues and Tactical Supplier Issues
- 1.8 **"Strategic Supplier Issues"** means the performance issues raised by Customer stakeholders for Supported Strategic Suppliers;
- 1.9 **"Tactical Supplier Issues"** means the performance issues raised by Customer stakeholders for Supported Tactical Suppliers
- 1.10 **"Tactical Spot Buy"** means the sourcing events which generally require obtaining a quote from a single Third Party Vendor, followed by negotiation and closure.
- 1.11 **"Ecovadis Onboarding"** means the process to support Suppliers' onboarding to PMI Systems as a part of SRM Support Stream
- 1.12 **"RSP Acknowledgement"** means the process to support Suppliers' Responsible Sourcing Principles (RSP) acknowledgement as a part of SRM Support Stream

2. BASELINE SERVICE UNIT VOLUMES:

ASIA GEOGRAPHY:

#	In-Scope Services	Subject to VCM?	Service Units	Baseline Service Unit Volume (annual)	Pricing Factors
1	E2E Tactical Sourcing	Y	Tactical Sourcing Projects (IMS Projects and TP Projects)	608 Tactical Sourcing Projects For the avoidance of doubt, any sourcing events (including Sourcing Events) which take place during a Tactical Sourcing Project shall not be chargeable, as only the number of projects is chargeable	It is anticipated there will be a ratio of 30:70 between English and non-English (respectively) Tactical Sourcing Projects
2	Demand & Category Mgmt	N	N/a	N/a - Volume Change Mechanism does not apply. For reference only, VCM for E2E Tactical Sourcing captures the variations for Demand & Category Mgmt, so there is no separate VCM or variation for Demand & Category Mgmt	None
3	Sourcing Process Support	Y	Sourcing Events (IMS Events and TP Events)	862 Sourcing Events For the avoidance of doubt, sourcing events linked to Tactical Sourcing Projects are not chargeable under this Chargeable Service Element, as detailed above	It is anticipated there will be a ratio of 30:70 between English and non-English (respectively) Sourcing Events
4	E2E Contract Management	Y	Contract Events (New Contracts and Amendments)	351 Contract Events	
5	Contracting Process Support	N	N/a	N/a - Volume Change Mechanism does not apply. For reference only, VCM for E2E Contract Management captures the variations for Contracting Process Support, so there is no separate VCM or variation for Contracting Process Support.	None

#	In-Scope Services	Subject to VCM?	Service Units	Baseline Service Unit Volume (annual)	Pricing Factors
6	SRM Process Support	Y	Supported Suppliers (Supported Tactical Suppliers and Supported Strategic Suppliers or Supported Ecovadis onboarding or supported RSP)	<p>110 Supported SRM QBR Suppliers from time to time (the same Supported Supplier can only count once even if they are both a Supported Tactical Supplier and a Supported Strategic Supplier. Customer may remove or replace Supported Suppliers from time to time)</p> <p>Or</p> <p>4.8 x 110 = 528 Ecovadis onboarding - equivalent to 110 supported SRM QBR suppliers</p> <p>Or</p> <p>110 x 4.4 = 484 supported RSP documents – equivalent to 110 supported SRM QBR suppliers</p> <p>Or</p> <p>Mix of these components equivalent to 110 supported SRM QBR suppliers</p>	Standard Ecovadis and RSP flows specified in "Schedule 2 Services".
7	Technical Procurement Spot Buy	Y	Requests	It is anticipated there will be 14,980 +/- 50% Tactical Spot Buys	
8	Strategy Program Delivery	N	N/a	N/a - Volume Change Mechanism does not apply.	None
9	Tail Spend Mgmt	N	N/a	N/a - Volume Change Mechanism does not apply.	None
10	PMO	N	N/a	N/a - Volume Change Mechanism does not apply.	None

MEA-CIS GEOGRAPHY:

#	In-Scope Services	Subject to VCM?	Service Units	Baseline Service Unit Volume (annual)	Pricing Factors
1	E2E Tactical Sourcing	Y	Tactical Sourcing Projects (IMS Projects)	407 Tactical Sourcing Projects For the avoidance of doubt, any sourcing events (including Sourcing Events) which take place during a Tactical Sourcing Project shall not be chargeable, as only the number of projects is chargeable	Based on credits mechanism in section 3.8
2	Demand & Category Mgmt	N	N/a	N/a - Volume Change Mechanism does not apply. Sourcing Volumetric Projections Mechanics	None
3	Sourcing Process Support	Y	Sourcing Projects	218 Strategic Sourcing Projects For the avoidance of doubt, sourcing events linked to Tactical Sourcing Projects are not chargeable under this Chargeable Service Element	Based on credits mechanism in section 3.8
4	E2E Contract Management	Y	Contract Items (New Contracts and Amendments)	274 Contract Items (Newly created Tactical Contracts and Amendments) for Tactical Scope	
5	Contracting Process Support	N	N/a	N/a - Volume Change Mechanism does not apply. For reference only, VCM for E2E Contract Management captures the variations for Contracting Process Support, so there is no separate VCM or variation for Contracting Process Support.	None

#	In-Scope Services	Subject to VCM?	Service Units	Baseline Service Unit Volume (annual)	Pricing Factors
6	SRM Process Support	Y	Supported Suppliers (Supported Tactical Suppliers and Supported Strategic Suppliers or Supported Ecovadis onboarding or supported RSP)	<p>110 Supported SRM QBR Suppliers from time to time (the same Supported Supplier can only count once even if they are both a Supported Tactical Supplier and a Supported Strategic Supplier. Customer may remove or replace Supported Suppliers from time to time)</p> <p>Or</p> <p>4.8 x 11 = 528 Ecovadis onboarding - equivalent to 110 supported SRM QBR suppliers</p> <p>Or</p> <p>110 x 4.4 = 484 supported RSP documents – equivalent to 110 supported SRM QBR suppliers</p> <p>Or</p> <p>Mix of these components equivalent to 110 supported SRM QBR suppliers</p>	Standard Ecovadis and RSP flows specified in "Schedule 2 Services".
8	Strategy & Program Delivery	N	N/a	N/a - Volume Change Mechanism does not apply.	None
9	Tail Spend Mgmt	N	N/a	N/a - Volume Change Mechanism does not apply.	None
10	PMO	N	N/a	N/a - Volume Change Mechanism does not apply.	None

LAC GEOGRAPHY:

#	In-Scope Services	Subject to VCM?	Service Units	Baseline Service Unit Volume (annual)	Pricing Factors
1	E2E Tactical Sourcing	Y	Tactical Sourcing Projects (IMS Projects)	196 Tactical Sourcing Projects For the avoidance of doubt, any sourcing events (including Sourcing Events) which take place during a Tactical Sourcing Project shall not be chargeable, as only the number of projects is chargeable	Based on credits mechanism in section 3.8
2	Demand & Category Mgmt	N	N/a	N/a - Volume Change Mechanism does not apply. Sourcing Volumetric Projections Mechanics	None
3	Sourcing Process Support	Y	Sourcing Projects	127 Strategic Sourcing Projects For the avoidance of doubt, sourcing events linked to Tactical Sourcing Projects are not chargeable under this Chargeable Service Element	Based on credits mechanism in section 3.8
4	E2E Contract Management	Y	Contract Items (New Contracts and Amendments)	145 Contract Items (Newly created Tactical Contracts and Amendments) for Tactical Scope	
5	Contracting Process Support	N	N/a	N/a - Volume Change Mechanism does not apply. For reference only, VCM for E2E Contract Management captures the variations for Contracting Process Support, so there is no separate VCM or variation for Contracting Process Support.	None

#	In-Scope Services	Subject to VCM?	Service Units	Baseline Service Unit Volume (annual)	Pricing Factors
6	SRM Process Support	Y	Supported Suppliers (Supported Tactical Suppliers and Supported Strategic Suppliers or Supported Ecovadis onboarding or supported RSP)	<p>110 Supported SRM QBR Suppliers from time to time (the same Supported Supplier can only count once even if they are both a Supported Tactical Supplier and a Supported Strategic Supplier. Customer may remove or replace Supported Suppliers from time to time)</p> <p>Or</p> <p>4.8 x 110 = 528 Ecovadis onboarding - equivalent to 110 supported SRM QBR suppliers</p> <p>Or</p> <p>4.4 x 110 = 484 supported RSP documents – equivalent to 110 supported SRM QBR suppliers</p> <p>Or</p> <p>Mix of these components equivalent to 110 supported SRM QBR suppliers</p>	Standard Ecovadis and RSP flows specified in "Schedule 2 Services".
8	Strategy & Program Delivery	N	N/a	N/a - Volume Change Mechanism does not apply.	None
9	Tail Spend Mgmt	N	N/a	N/a - Volume Change Mechanism does not apply.	None
10	PMO	N	N/a	N/a - Volume Change Mechanism does not apply.	None

3. Base Charges

For the purposes of the Charges, “Year 1” is a 12 month period commencing on the Transition Start Date, and subsequent Years commence on the anniversary of the Transition Start Date (and “Year 2” and so on shall be construed accordingly).

*For the avoidance of doubt, the Charges for Year 1 are set out as monthly, as no Charges are payable for months 1 – 3 of Year 1, and then Charges only become payable once Service Elements Go Live (as further detailed in Paragraph 3 of Schedule 4 above).

TABLE B : Base Charges applicable

ASIA GEOGRAPHY

	Chargeable Service Element	Subject to VCM?	Service Units	Base Charges					
				1 month Charges, USD	Annual / 12 months Charges, USD				
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
1	E2E Tactical Sourcing	Y	Tactical Sourcing Projects	48,100	554,000	544,000	500,000	511,000	486,000
2	Demand & Category Mgmt	N	N/a	11,100	128,000	130,000	119,000	121,000	123,000
3	Sourcing Process Support	Y	Sourcing Events	18,500	214,000	209,000	188,000	186,000	190,000
4	E2E Contract Management	Y	Contract Events	3,700	45,000	46,000	44,000	45,000	38,000
5	Contracting Process Support	N	N/a	6,200	76,000	78,000	79,000	81,000	82,000
6	SRM Process Support	Y	Supported Suppliers	10,400	121,000	124,000	126,000	128,000	131,000
7	Strategy & Program Delivery – fixed	N	N/a	3,900	48,000	43,000	44,000	45,000	38,000
8	Tail Spend Mgmt.- fixed	N	N/a	17,700	217,000	181,000	170,000	115,000	107,000

	Chargeable Service Element	Subject to VCM?	Service Units	Base Charges					
				1 month Charges, USD	Annual / 12 months Charges, USD				
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
9	PMO – fixed	N	N/a	12,500	153,000	152,000	122,000	84,000	84,000
			Total	132,100	1,556,000	1,506,000	1,390,000	1,316,000	1,280,000

MEA CIS and LAC GEOGRAPHY

April 2025 Go live charges

For Service elements and Markets gone live in April 2025, charges are applicable based on points allocated to projects and contracts that have been initiated for these markets in April 2025. These volumes are exempt from volumes for reconciliation of Year 1 steady state volumes for true up/down

Example - If the countries that go live in April 2025 are Mexico, Canada, South Africa, Turkey supported in English, Turkish and Spanish languages. Assuming that the volumes for E2E projects and E2E contracts and amendments initiated by language in April 2025 are –

English – 2 E2E projects, 5 E2E contracts/amendments ,

Spanish - 4 E2E projects, 3 E2E contracts/amendments

Turkish – 4 E2E projects, 1 E2E contract / amendment

Applying points illustrated in Table X to these volumes, total points by language are

English - $85(2*25+5*7=85)$,

Spanish - 121 ($4*25+3*7=121$),

Turkish - 107 ($4*25+1*7=107$).

Pro rating these points to charges mentioned by delivery centres mentioned in Table AUC RUC Charges for MEA CIS and LAC -

- English - \$3,970 (i.e $(85/250)*\$11,700=\$3,970$)
- Spanish - \$8,131 (i.e $(121/250)*\$16,800=\$8,131$)
- Turkish - \$7,790 (i.e $(107/250)*\$16,800=\$7,790$)
- Total - \$19,891

Steady state Contract Year Charges:

Year 1 monthly Charges, USD	Year 2	Year 3	Year 4
\$167,055	\$1,887,437	\$1,896,948	\$1,739,508

3.1 Service Unit Bands - ASIA GEOGRAPHY

3.2 All AUC/RUC report need to be submitted, validated and freeze the numbers on monthly basis with respective stakeholder of the deliverables.

E2E Tactical Sourcing

Band	Service Unit Bands	Additional / Reduced Charge	Annual Charges Adjustment (USD)
1	445 <= X < 461	Reduced Charge	- 61,200
2	462 <= X < 478	Reduced Charge	- 51,000
3	479 <= X < 495	Reduced Charge	- 40,800
4	496 <= X < 512	Reduced Charge	- 30,600
5	513 <= X < 529	Reduced Charge	- 20,400
6	530 <= X < 546	Reduced Charge	- 10,200
7	547 <= X < 669	Baseline Band	--
8	670 <= X < 686	Additional Charge	10,200
9	687 <= X < 703	Additional Charge	20,400
10	704 <= X < 720	Additional Charge	30,600
11	721 <= X < 737	Additional Charge	40,800
12	738 <= X < 754	Additional Charge	51,000
13	755 <= X < 771	Additional Charge	61,200

3.3 Sourcing Process Support

Band	Service Unit Bands	Additional / Reduced Charge	Annual Charges Adjustment (USD)
1	632 <= X < 655	Reduced Charge	- 46,800
2	656 <= X < 679	Reduced Charge	- 39,000
3	680 <= X < 703	Reduced Charge	- 31,200
4	704 <= X < 727	Reduced Charge	- 23,400
5	728 <= X < 751	Reduced Charge	- 15,600
6	752 <= X < 775	Reduced Charge	- 7,800
7	776 <= X < 948	Baseline Band	--
8	949 <= X < 972	Additional Charge	7,800
9	973 <= X < 996	Additional Charge	15,600
10	997 <= X < 1020	Additional Charge	23,400
11	1021 <= X < 1044	Additional Charge	31,200
12	1045 <= X < 1068	Additional Charge	39,000
13	1069 <= X < 1092	Additional Charge	46,800

3.4 E2E Contract Management

Band	Service Unit Bands	Additional / Reduced Charge	Annual Charges Adjustment (USD)
1	256 <= X < 267	Reduced Charge	- 16,200
2	268 <= X < 279	Reduced Charge	- 12,960
3	280 <= X < 291	Reduced Charge	- 9,720
4	292 <= X < 303	Reduced Charge	- 6,480
5	304 <= X < 315	Reduced Charge	- 3,240
6	316 <= X < 386	Baseline Band	--
7	387 <= X < 398	Additional Charge	3,240
8	399 <= X < 410	Additional Charge	6,480
9	411 <= X < 422	Additional Charge	9,720
10	423 <= X < 434	Additional Charge	12,960
11	435 <= X < 446	Additional Charge	16,200

3.5 SRM Process Support

Band	Service Unit Bands	Additional / Reduced Charge	Annual Charges Adjustment (USD)
1	79 <= X < 82	Reduced Charge	- 18,000
2	83 <= X < 86	Reduced Charge	- 14,400
3	87 <= X < 90	Reduced Charge	- 10,800
4	91 <= X < 94	Reduced Charge	- 7,200
5	95 <= X < 98	Reduced Charge	- 3,600
6	99 <= X < 121	Baseline Band	--
7	122 <= X < 125	Additional Charge	3,600
8	126 <= X < 129	Additional Charge	7,200
9	130 <= X < 133	Additional Charge	10,800
10	134 <= X < 137	Additional Charge	14,400
11	138 <= X < 141	Additional Charge	18,000

3.6 TP Spot-Buy

Band	Lower	Target	Upper	PMI Proposal on Charges
1	38,501	39,500	40,500	\$122,400
2	36,501	37,500	38,500	\$108,800
3	34,501	35,500	36,500	\$ 95,200
4	32,501	33,500	34,500	\$81,600
5	30,501	31,500	32,500	\$ 68,000
6	28,501	29,500	30,500	\$54,400
7	26,501	27,500	28,500	\$40,800
8	24,501	25,500	26,500	\$27,200
9	22,501	23,500	24,500	\$13,600
10	7,501	15,000	22,500	Baseline Band
11	5,501	6,500	7,500	\$ -13,600
12	3,501	4,500	5,500	\$ -27,200
13	1,501	2,500	3,500	\$-40,800
14	-	750	1,500	\$ -54,400

Point to be referred for methodology

1. As agreed on the methodology to remove the duplicates of materials from the same date, Procedure used a concatenation of "Source (Req location) + Date + Material ID + Plant"
2. For some price list update activities PMI may agree with GEP Team the assigned factor through e-mail agreement to reflect the effective count
3. The final number for AUC/RUC of TP spot will be approved by respective stakeholder from PMI

3.7 Service Unit Bands (For MEA CIS and LAC GEOGRAPHY)

For MEA CIS and LAC, service Unit bands will apply at a language level. Points are provided for all volume-dependent workstreams, based on effort and productivity assumptions:

Workstream	Unit of Measurement	No. Of Points
E2E Tactical Sourcing	Tactical Sourcing Projects	25
Sourcing Process Support	Strategic Sourcing Projects	15
E2E Contract Management	New Tactical Contracts / Amendments	7
SRM support for QBR	Strategic Vendors supported with BBRs annually	9
SRM Support for Ecovadis Onboarding	Vendors onboarded to Ecovadis	2
SRM Support for RSP documents	Vendors onboarded to RSP	2

Baseline Points for Volume-Dependent Service Elements by Languages

Annual Points Summary:

Language	Delivery Center	Total Points per Service Elements (deadband defined +/- 10%from this, for each language)	E2E Tactical Sourcing Points	Sourcing Process Support Points	E2E Contracts and Amendments Points	SRM vendors for QBR Points	SRM vendors for RSP Points	SRM Ecovadis Points
English	India	6,945	3228	1203	514	666	667	667
Arabic	Romania	4,836	3601	1150	85	0	0	0
Armenian	Romania	423	166	44	213	0	0	0
French	Romania	2,102	1398	464	240	0	0	0
Georgian	Romania	480	173	46	261	0	0	0
Hebrew	Romania	904	665	219	20	0	0	0
Portuguese	Brasil	970	609	255	106	0	0	0
Russian	Romania	2,261	1140	365	756	0	0	0
Spanish	Mexico	5,430	3372	1327	731	0	0	0
Turkish	Romania	1,026	723	235	68	0	0	0
Total:	All Languages	25,376	15075	5308	2993	666	667	667

+/-10% from Total Credits per Language is considered as a deadband. For tranches of 250, VCM will apply as below

For avoidance of doubt, tranches are counted as per below Table after Baseline Credits are reconciled vs Deadband.

Table - AUC RUC Charges for MEA CIS and LAC

Variance from deadband	India	Romania	Mexico/Brazil
(+/-) 1-250	\$11,700	\$18,200	\$16,800
(+/-) 251-500	\$23,400	\$36,400	\$33,600
(+/-) 501-750	\$35,100	\$54,600	\$50,400
(+/-) 751-1000	\$46,700	\$72,800	\$67,200

The Parties agreed to extend the scope to US Market on PMI request under conditions below:

	Mexico Delivery Center	India Delivery Center
Technical Procurement Spot Buy Scope	\$60k	\$42k
All Other Scope	\$66k	\$46k

- A. All rates exclude taxes and fees
- B. Up to 4 Team Member FTEs can be staffed at this level using the global program's leadership support and oversight. Beyond this the solution will be jointly reviewed to include the appropriate levels of oversight. The basis will be the same productivity assumptions used for the regions 2 and 4 steady state solutions.
- C. Once the FTE additions are activated, they become part of the steady state service

Appendix B
TERMINATION CHARGES

For this Appendix "Month 1" is the Transition Start Date and other months shall be construed accordingly.

1. APAC

	Year 2 Termination Charges in USD									
Charges	Month 1 - 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
Termination Charges	No Termination Charges, as no right to terminate for convenience	593,000	579,000	564,000	549,000	535,000	520,000	505,000	491,000	476,000
Additional Termination Fee		198,000	193,500	189,000	184,500	180,000	175,500	171,000	166,500	162,000
Total		791,000	772,500	753,000	733,500	715,000	695,500	676,000	657,500	638,000

	Year 3 Termination Charges in USD											
Charges	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
Termination Charges	462,000	449,000	435,000	421,000	407,000	394,000	380,000	366,000	352,000	338,000	325,000	Zero [end of initial term – no further Termination Charges]
Additional Termination Fee	157,500	153,000	148,500	144,000	139,500	135,000	130,500	126,000	121,500	117,000	112,500	108,000
Total	619,500	602,000	583,500	565,000	546,500	529,000	510,500	492,000	473,500	455,000	437,500	108,000

	Year 4 Termination Charges in USD											
Charges	Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48
Termination Charges	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero
Additional Termination Fee	103,500	99,000	94,500	90,000	85,500	81,000	76,500	72,000	67,500	63,000	58,500	54,000
Total	103,500	99,000	94,500	90,000	85,500	81,000	76,500	72,000	67,500	63,000	58,500	54,000

	Year 5 Termination Charges in USD											
Charges	Month 49	Month 50	Month 51	Month 52	Month 53	Month 54	Month 55	Month 56	Month 57	Month 58	Month 59	Month 60
Termination Charges	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	-
Additional Termination Fee	49,500	45,000	40,500	36,000	31,500	27,000	22,500	18,000	13,500	9,000	4,500	-
Total	49,500	45,000	40,500	36,000	31,500	27,000	22,500	18,000	13,500	9,000	4,500	-

1. Examples for the calculation of Termination Charges are outlined below:

- 1.1 If Customer provides a Notice at the end of month 20 to terminate all the services, the Notice expires on the 1st day of month 33. Thus, the applicable total termination fees will be USD 473,500
- 1.2 If Customer provides a Notice at the end of month 10 to terminate all the services, the Notice expires on the 1st day of month 23. Thus, the applicable total termination fees will be USD 657,500
- 1.3 In case Customer decides not to renew the contract with Supplier at the end of month 36 of the program, Additional Termination Fees of USD 108,000 will be applicable.
- 1.4 If Customer provides a Notice at the end of month 40 to terminate all the services, the Notice expires on the 1st day of month 53. Thus, the applicable total termination fees will be USD 31,500.

2. MEA CIS GEOGRAPHY

"Month 1" is the Transition Start Date, and other months shall be construed accordingly.

	Year 2 Termination Charges in USD									
Charges	Month 1 – 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
Termination Charges	No Termination Charges, as no right to terminate for convenience	\$436,200	\$425,800	\$414,700	\$403,600	\$393,300	\$382,200	\$371,100	\$360,700	\$349,600
Additional Termination Fee		\$67,760	\$65,707	\$63,653	\$61,600	\$59,547	\$57,493	\$55,440	\$53,387	\$51,333
Total		\$503,960	\$491,507	\$478,353	\$465,200	\$452,847	\$439,693	\$426,540	\$414,087	\$400,933

	Year 3 Termination Charges in USD											
Charges	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
Termination Charges	\$ 339,200	\$ 329,600	\$ 319,300	\$ 309,000	\$ 298,700	\$ 289,100	\$ 278,800	\$ 268,500	\$ 258,100	\$ 247,800	\$ 238,200	Zero [end of initial term – no further Termination Charges]
Additional Termination Fee	\$49,280	\$47,227	\$45,173	\$43,120	\$41,067	\$39,013	\$36,960	\$34,907	\$32,853	\$30,800	\$28,747	\$26,693
Total	\$ 388,480	\$ 376,827	\$ 364,473	\$ 352,120	\$ 339,767	\$ 328,113	\$ 315,760	\$ 303,407	\$ 290,953	\$ 278,600	\$ 266,947	\$ 26,693

	Year 4 Termination Charges in USD											
Charges	Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48
Termination Charges	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero
Additional Termination Fee	\$24,640	\$22,587	\$20,533	\$18,480	\$16,427	\$14,373	\$12,320	\$10,267	\$8,213	\$6,160	\$4,107	\$2,053
Total	\$24,640	\$22,587	\$20,533	\$18,480	\$16,427	\$14,373	\$12,320	\$10,267	\$8,213	\$6,160	\$4,107	\$2,053

3. LAC GEOGRAPHY

"Month 1" is the Transition Start Date, and other months shall be construed accordingly.

	Year 2 Termination Charges in USD									
Charges	Month 1 – 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24
Termination Charges	No Termination Charges, as no right to terminate for convenience	\$ 300,800	\$ 294,400	\$ 287,400	\$ 280,500	\$ 274,100	\$ 267,100	\$ 260,200	\$ 253,900	\$ 247,000
Additional Termination Fee		\$ 67,760	\$ 65,707	\$ 63,653	\$ 61,600	\$ 59,547	\$ 57,493	\$ 55,440	\$ 53,387	\$ 51,333
Total		\$ 368,560	\$ 360,107	\$ 351,053	\$ 342,100	\$ 333,647	\$ 324,593	\$ 315,640	\$ 307,287	\$ 298,333

	Year 3 Termination Charges in USD											
Charges	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36
Termination Charges	240,700	233,800	226,500	219,200	211,900	205,000	197,700	190,400	183,000	175,700	168,900	Zero [end of initial term – no further Termination Charges]
Additional Termination Fee	\$ 49,280	\$ 47,227	\$ 45,173	\$ 43,120	\$ 41,067	\$ 39,013	\$ 36,960	\$ 34,907	\$ 32,853	\$ 30,800	\$ 28,747	\$ 26,693
Total	\$ 289,980	\$ 281,027	\$ 271,673	\$ 262,320	\$ 252,967	\$ 244,013	\$ 234,660	\$ 225,307	\$ 215,853	\$ 206,500	\$ 197,647	\$ 26,693

	Year 4 Termination Charges in USD											
Charges	Month 37	Month 38	Month 39	Month 40	Month 41	Month 42	Month 43	Month 44	Month 45	Month 46	Month 47	Month 48
Termination Charges	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero	Zero
Additional Termination Fee	\$ 24,640	\$ 22,587	\$ 20,533	\$ 18,480	\$ 16,427	\$ 14,373	\$ 12,320	\$ 10,267	\$ 8,213	\$ 6,160	\$ 4,107	\$ 2,053
Total	\$ 24,640	\$ 22,587	\$ 20,533	\$ 18,480	\$ 16,427	\$ 14,373	\$ 12,320	\$ 10,267	\$ 8,213	\$ 6,160	\$ 4,107	\$ 2,053

Appendix C

RATE CARDS

Representative Skill Set	Short Term Rates (Less than 6 months)							Long Term Rates (More than 6 months)						
	Daily Rates							Daily Rates						
	Malaysia/ Indonesia	Dalian	India	Mexico	Romania	Costa Rica	Brazil	Malaysia/ Indonesia	Dalian	India	Mexico	Romania	Costa Rica	Brazil
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Sr. Category Manager	984	976	744	1,103	1,282	1,176	1,081	920	856	656	990	1,150	1,055	970
Category Manager	752	752	576	890	974	934	851	704	656	504	795	870	835	760
Sr. Sourcing Manager	584	576	440	740	762	751	684	544	504	384	660	680	670	610
Sourcing Manager	488	480	368	603	643	615	587	456	424	320	540	575	550	525
Sourcing Support Lead	400	384	296	465	508	476	443	376	352	272	430	470	440	410
Sourcing Support Specialist	312	296	224	360	390	373	342	296	264	200	328	355	340	312
Contracts Lead	400	400	304	465	508	476	443	376	352	272	430	470	440	410
Contracting Support Specialist	264	248	168	280	306	289	273	248	224	152	256	280	265	250
Supplier Assessment Specialist	264	248	168	280	306	289	273	248	224	152	256	280	265	250
Market Intelligence Specialist	-	216	136	231	253	237	220	-	192	120	210	230	215	195

Schedule 5 Savings

1. DEFINITIONS

- 1.1 The following definitions will apply:
- 1.2 "**Addressed Spend**" means the Spend relating to a Savings Projects (for the avoidance of doubt, whether or not such Spend has been subject to Cost Savings).
- 1.3 "**Annual Addressed Spend**" means the amount of Addressed Spend which is payable in the 12 months from the Savings Start Date or Deemed Start Date (as applicable)
- 1.4 "**Annualisation Period**" means a period of 12 months from the Savings Start Date or Deemed Start Date (as applicable)
- 1.5 "**Annual Cost Savings**" means the amount of Cost Savings which apply to Spend payable in the 12 months from the Savings Start Date
- 1.6 "**Baseline Cost**" means the last price paid for goods or services or average price paid during the prior period of 12 months, which may also be referred as the old price, as further defined in the Procurement Contribution Guidelines
- 1.7 "**Baseline Spend**" means the amount of Spend which is determined from the Baseline Cost multiplied by the new volume (or quantity) or initial volume (as applicable if a new volume is not considered) of goods or services to be purchased during the Annualization Period as further defined in the Procurement Contribution Guidelines
- 1.8 "**Cost Avoidance**" has the meaning given to it in Paragraph 3.3.2
- 1.9 "**Cost Prevention**" shall have the same meaning as Cost Avoidance as it relates to Technical Procurement Contribution Guidelines
- 1.10 "**Cost Reduction**" shall have the same meaning as Cost Savings as it relates to Technical Procurement Contribution Guidelines
- 1.11 "**Cost Savings**" has the meaning given to it in Paragraph 3.3.1;
- 1.12 "**Deemed Start Date**" means the date new pricing is or should have been applicable to Spend in relation to a completed Savings Project
- 1.13 "**IMS Procurement Contribution Guidelines**" means the IMS Procurement Contribution Guidelines dated May 2018 (as updated from time to time).
- 1.14 "**Procurement Contributions**" include all contribution types set out and defined in the Procurement Contribution Guidelines including Cost Savings, Cost Avoidance, and Cost Reduction, Cost Prevention, Cash Release & Added Value.
- 1.15 "**Procurement Contribution Guidelines**" means the: (i) IMS Procurement Contribution Guidelines; and/or (ii) the TP Procurement Contribution Guidelines (as the context so requires).

- 1.16 **"Savings Projects"** means: a) Sourcing Projects (which includes IMS Projects and TP Projects); and b) Tactical Spot Buys.
- 1.17 **"Savings Start Date"** means the date on which Cost Savings start to apply to Spend in relation to a Savings Project
- 1.18 **"Spend"** means the fees, charges, expenses, disbursements and other spend or amount which is valid and payable by Customer to a Third Party Vendor pursuant to a Third Party Vendor Contract for the provision of goods and services
- 1.19 **"Third Party Vendor"** means a Third Party supplier of goods or services to the Customer
- 1.20 **"Third Party Vendor Contract"** means a contract (including a binding purchase order) between customer and a Third Party Vendor for the provision of goods or services to the Customer"
- 1.21 **TP Procurement Contribution Guidelines"** means the TP Procurement Contribution Guidelines dated July 2021 (as updated from time to time).
- 1.22 Terms which are not defined in this Agreement or Schedule but which are used in a defined sense in this Schedule shall have the meaning given to it (if any) in the relevant Procurement Contribution Guidelines.

2. INTRODUCTION

- 2.1 Supplier is required to provide various Procurement Contributions as part of the Services. The Procurement Contributions include Supplier delivering, tracking and reporting on Supplier's performance in relation to:
- 2.1.1 Cost Savings;
 - 2.1.2 Cost Avoidance; and
 - 2.1.3 Cash Release & Added Value,
- all as further detailed in this Schedule and the Procurement Contribution Guidelines.
- 2.2 Supplier shall comply with the requirements of the Procurement Contribution Guidelines and this Schedule. In the event of a conflict between these documents, Supplier shall raise the conflict to Customer and Customer may determine which document prevails.
- 2.3 Customer shall be entitled to update the Procurement Contribution Guidelines from time to time in accordance with the process at Paragraph 3 of Schedule 11 (Policies and Standards) and Supplier shall follow the updated guidelines. This includes the ability to split or consolidate the various guidelines into one or more different guidelines, and to recategorize what activities contribute towards various Procurement Contribution Types.
- 2.4 Supplier shall be entitled to raise with Customer any concern or observation which it may have as a result of an update to the Procurement Contribution Guidelines as outlined in Paragraph 2.3 above, in accordance with the process at Paragraph 3 of Schedule 11 (Policies and Standards), provided that such observation or concern will be described in sufficient detail to enable Customer to understand its potential impact in terms of Supplier's ability to meet the Target Savings Level in Paragraph 7 of Schedule 3 (Service

Levels). Supplier and Customer shall jointly evaluate the impact with specific relevance to changes in addressable Spend or Cost Savings potential that are attributable to such update to the Procurement Contribution Guidelines, which may cause either a decrease or increase in Cost Savings potential. If required the Parties shall agree in good faith a Change via the Change Control Procedure to reflect any adjustment to the committed Target Savings Level provided that Customer shall be entitled instead to revoke such guideline updates and agree with Supplier to keep working from the then current Procurement Contribution Guidelines (and in such case no Changes shall be required).

3. PROCUREMENT CONTRIBUTION TYPES

3.1 This Schedule sets out the basis and process for defining, measuring, validating, and approving contributions that Supplier will provide to Customer to realize and deliver, and shall be based on the Procurement Contribution Guidelines.

3.2 Supplier shall deliver Procurement Contributions for Savings Projects (and for the avoidance of doubt Savings Projects shall be relevant to the three contribution types below).

3.3 The Procurement Contribution Guidelines contain different Procurement Contributions classified based on their financial impact and are further divided into three contribution types:

3.3.1 **"Cost Savings"**, which includes

- (a) **"Price Savings"** which has the meaning given in the Procurement Contribution Guidelines (for reference this means a Savings Project which results in a lower negotiated price with a Third Party Vendor)
- (b) **"Year End Volume Rebates"** which has the meaning given in the Procurement Contribution Guidelines (for reference this means a rebate amount offered by a Third Party Vendor to the Customer in relation to achieving agreed committed volume or spend thresholds which trigger application of a volume discount applied to the actual Spend with such Third Party Vendor)
- (c) **"Total Cost of Ownership" or "TCO"** which has the meaning given in the Procurement Contribution Guidelines (for reference this means savings which includes end to end process lifecycle savings, mix rationalization such as specification rationalization, and effort rationalization such as demand, frequency, or volume reduction);
- (d) **"Productivity Savings"** which has the meaning given in the Procurement Contribution Guidelines (for reference this means cost reduction versus the prior year with a sustainable impact related to a change in volume allocation between suppliers, a change in process, technology or product specifications (Productivity and Total Cost of Ownership)
- (e) **Depreciation (CAPEX)** savings which has the meaning given in the Procurement Contribution Guidelines (for reference this means reduction

in operating expenses of the cost of a fixed asset over its useful economic life with maximum of 5 Years). For clarity, this is applicable to IMS category only.

- (f) **Capital Gains** which has the meaning given in the Procurement Contribution Guidelines. For clarity, this is applicable to IMS category only.

3.3.2 **"Cost Avoidance"**, which includes (all as defined in the Procurement Contribution Guidelines):

- (a) First Time / One Time Purchase
- (b) Offset Market Increase
- (c) Inflation offset
- (d) Contract claims
- (e) CAPEX Purchases (applicable to TP category only)

3.3.3 Cash Release & Added Value, which includes:

- (a) **"Cash Release"** which has the meaning given in the Procurement Contribution Guidelines (for reference this means Procurement contribution resulting from generating cash to business via extending the payables time for the purchased goods and services, selling assets with no depreciation costs on the books, improving lead-time or sell back spare parts or piece of equipment instead of scrapping. (Average Payment terms improvement, Selling Assets, Lead time improvement))
- (b) **"Added Value"** which has the meaning given in the Procurement Contribution Guidelines (for reference this means tangible benefits coming from the procurement involvement in the S2C or other process that brings a financial benefit (Capital Gains, Financial Recovery))

4. **COST SAVINGS**

4.1 Cost Savings are a sub-set of Procurement Contributions. For the avoidance of doubt, Cost Avoidance (and Cost Prevention), Cash Release and Added Value are not Cost Savings and shall not contribute to Cost Savings targets.

4.2 Annualised amounts:

- 4.2.1 Supplier will determine and report Annual Addressed Spend and Annual Cost Savings for all Savings Projects.
- 4.2.2 For reporting, performance management and targets, only the Annual Addressed Spend and Annual Cost Savings will be relevant (as further detailed below).

- 4.2.3 For the avoidance of doubt, the Annual Addressed Spend is determined as the new price x new volume (or quantity) for the goods or services during the Annualisation Period.

4.3 Carry-over contribution:

- 4.3.1 Any Cost Savings which apply to Spend payable after the Annualisation Period shall not be relevant for reporting, performance management or targets, and will not be considered for the reporting of Cost Avoidance. Addressed Spend is only the Spend that applies during the Annualisation Period. Any Cost Savings or Cost Avoidance that apply after the Annualisation Period are referred to as carry-over contributions.

- 4.3.2 For example: Third Party Vendor Contract for \$1000 per year, which is due for renewal. As part of a Savings Project the Supplier negotiates a 3 year renewal, at \$900 per year. From the Savings Start Date and for 12 months (only), Supplier will count Annual Addressed Spend of \$900 and Annual Cost Savings of \$100. Year 2 and 3 of the renewal are outside the Annualisation Period, and therefore are not considered for reporting, performance management and targets.

4.4 Multiple year reductions:

- 4.4.1 If Supplier achieves Cost Savings in a scenario where additional reductions apply after the Annualisation Period (i.e. reductions which further reduce Spend from the Spend applicable during the previous Annualisation Period, and not simply the same level of discount (the latter would be a carry-over contribution and covered under Paragraph 4.3) then the date on which such further reductions apply will be considered an additional Savings Start Date and an additional Annualisation Period shall commence on that date. Annual Cost Savings and Annual Addressed Spend will be calculated as for the initial Annualisation Period, except that the Baseline Cost will be the immediately prior period.

- 4.4.2 For example: Third Party Vendor Contract for \$1000 per year, which is due for renewal. As part of a Savings Project the Supplier negotiates a 3 year renewal, with the fees reducing 10% year on year for every year of the renewal term. The Annual Cost Savings and Annual Addressed Spend will be as follows:

(a) Year 1 (12 months from Savings Start Date):

- (i) Annual Cost Savings: \$100
- (ii) Annual Addressed Spend: \$900

(b) Year 2 (12 months starting on expiry of year 1):

- (iii) Annual Cost Savings: \$90
- (iv) Annual Addressed Spend: \$810

(c) Year 3 (12 months starting on expiry of year 2):

- (v) Annual Cost Savings: \$81

(vi) Annual Addressed Spend: \$729

- 4.5 **Allocation to calendar years:** For reporting, performance management and targets the Annual Cost Savings and Annual Addressed Spend will be split across calendar years to reflect the in-year portion by number of days in the Annualisation Period that falls within that calendar year. For example, if the Savings Start Date is 1 July, then 6/12th of the Annual Cost Savings and Annual Addressed Spend will apply in that calendar year, and the remaining 6/12th will apply in the next calendar year.
- 4.6 For the avoidance of doubt, the Annualisation Period shall be the same period for both Cost Savings and Addressed Spend.
- 4.7 All Saving Projects will count towards the Annual Addressed Spend even if such Savings Projects do not deliver any Cost Savings (e.g. Spend remains the same, or price increases). A price increase would not give rise to a negative Cost Saving, but will increase (over the Baseline Spend) the Annual Addressed Spend.
- 4.8 Lost Opportunity:
- 4.8.1 Customer may choose not to implement the recommended outcome of a completed Savings Project (e.g. to award business to a new supplier that quoted a lower price compared to an incumbent supplier), or Customer cancels a Savings Project that was completed and accepted by Customer and which subsequently results in a new replacement Savings Project for the same requirement at a later date (e.g. planned Spend is addressed twice), each instance considered a "**Lost Opportunity**".
- 4.8.2 Where the Supplier identifies examples of such Lost Opportunities then Supplier will capture evidence to substantiate the applicable Annual Addressed Spend for such Lost Opportunities and report these to Customer on a quarterly basis. In the event that Customer accepts such report for Lost Opportunities, then the Annual Addressed Spend will be deducted that is directly linked to such Lost Opportunities in the determination of performance against the Service Level for Target Savings in Schedule 3.
- 4.9 For the purpose of reporting other Procurement Contributions, the principles in this Paragraph shall also apply (as applicable) to Cost Avoidance (and Cost Prevention), Cash Release and Added Value.
- 5. BASELINING**
- 5.1 Supplier will identify, analyze, document, and prepare the baseline information covering prior period costs, prices, volumes and spend relevant to each Savings Project, in accordance with the Procurement Contribution Guidelines and this Paragraph.
- 5.2 The Baseline information will be used to determine the "**Baseline Cost**", and will include, where available:
- 5.2.1 Details of the prior period scope, specifications, requirements and duration of service (or supply of goods) to assess the equivalency of scope for the baseline

- 5.2.2 Details of the prior period pricing (or costs) and volumes (or quantities) taken from contracts, purchase orders, invoices or relevant quotes to assess the comparable volume and comparable spend for the baseline
- 5.3 The Baseline information will then be used to determine the "**Baseline Spend**" to be used for the savings calculation, which shall be determined using the new volume (or quantity) relevant to each Savings Project multiplied by the appropriate Baseline Cost.
- 5.4 Baseline Cost and Baseline Spend (including any adjustments to reflect a lack of equivalency) will need to be approved by Customer.
- 5.5 Sample project examples with scenarios for Baseline Spend calculation and Cost Savings calculation are set out in Paragraph 7 of this Schedule.
- 5.6 In the event of a change to the assumptions on which the Baseline Cost or Baseline Spend was determined becoming evident, Supplier and Customer will agree a revision to the Baseline Cost or Baseline Spend.
- 5.7 If the Parties cannot agree to the Baseline Cost or Baseline Spend (or a revision thereto), they will be as reasonably determined by Customer.
- 6. SAVINGS CALCULATION**
- 6.1 Cost Savings and Cost Avoidance for Savings Project shall be calculated as described in this Paragraph 6 and in accordance with the Procurement Contribution Guidelines (i.e. using the new price and new volumes compared against the Baseline Spend).
- 6.2 For each Savings Project the Supplier will capture and document the following minimum information:
 - 6.2.1 New Price
 - 6.2.2 Old Price
 - 6.2.3 New Volume
 - 6.2.4 Savings Start Date
 - 6.2.5 Annual Addressed Spend
 - 6.2.6 Annual Cost Savings
 - 6.2.7 Baseline summary to include Baseline Spend and breakdown of Baseline Cost
- 6.3 Cost Avoidance will also be calculated on an annualised basis, with a requirement to capture and document the same information as outlined in Paragraph 6.2 above.
- 6.4 If there is any disagreement between the Parties as to the relevant Savings Start Date or Deemed Start Date, Customer may reasonably determine such date.

7. SAVINGS EXAMPLES

- 7.1 In addition for the end-to-end Tactical Sourcing Projects some further sample scenarios are illustrated in Appendix 1 below to help guide the determination of the baseline cost and savings calculation.
- 7.2 Also see the examples given in Procurement Contribution Guidelines (but Appendix 1 to this Schedule shall prevail in the event of a conflict). Supplier will continue to report savings as per the methodology outlined in the Procurement Contribution Guidelines applied internally by Customer. Supplier may rely on Customer Savings Projects that are marked as completed in the current calendar year in the Customer Scout/Workday tool as an example to support Supplier's determination of savings as applied internally by the Customer (provided such Customer Savings Project is confirmed through the validation process).
- 7.3 The scenarios for calculating Baseline and Contribution as set out in Appendix 1 is not exhaustive. In the event that the Baseline/Contribution for a given Savings Project cannot be calculated using the definitions and scenarios outlined in Appendix 1, in this Schedule or the Procurement Contribution Guidelines, it will be mutually agreed by both Parties on a case-by-case basis. In the event of a conflict, Customer may determine the appropriate calculation which shall be based on industry practices.

8. SAVINGS VALIDATION AND REPORTING

- 8.1 The Supplier shall follow the Procurement Contribution Guidelines to complete the savings validation process. Customer may additionally complete procurement validation of any Savings Projects (also referred to as savings initiatives in the Procurement Contribution Guidelines) reported by the Supplier irrespective of the defined validation threshold for Cost Savings.
- 8.2 The Supplier shall submit the Procurement Contribution for the Savings Projects that should be considered for validation prior to the launch of the quarterly validation process as outlined by the Procurement Contribution Guidelines. This shall be launched after the end of each quarter according to the annual Global Saving Management Tool (GSMT) calendar, as set out in the Procurement Contribution Guidelines. For reference this is currently as set out below:
- 8.2.1 Q2 – Beginning of July
 - 8.2.2 Q3 – Beginning of October
 - 8.2.3 Q4 – Beginning of January
 - 8.2.4 Q1 & YE Prior Year closing - Beginning of March
- 8.3 The Supplier shall update the status of each Initiative with Confirmed/Projected/Targeted (as outlined below) prior to the launch of the quarterly validation process. Only those Initiatives with status as "Confirmed" shall be considered for the validation process.
- Confirmed – Procurement Contribution for which a commercial agreement has been established and Contribution calculations are based on actual price and volume

- Projected - Procurement Contribution for which a commercial agreement has been established and Contribution calculations are based on actual price and volume assumptions
- Targeted – Procurement Contributions are forecasted based on market assumptions and forecasted price and volume

- 8.4 The Supplier shall record and file the calculation of contribution in Customer's Global Saving Management Tool (GSMT) with supporting documentation (including methodology, assumptions, calculation sheet and description of data sources and baseline information) for all initiatives that undergo validation.
- 8.5 The Initiatives shall be validated by Customer stakeholders within 3 weeks from the commencement of the quarterly validation process with the exception of Year End closing (including Q1) where the validation process shall be completed within 4 weeks.
- 8.6 The Customer Finance/Procurement stakeholders shall review and validate/reject the Initiatives. In the event that an Initiative is rejected, the Supplier shall request the re-launch of the workflow of that specific Initiative via the GSMT support team. Both Parties shall mutually agree on the action plan for such Initiatives.
- 8.7 The Supplier shall report and update in GSMT on a quarterly basis, all Savings Projects that generate contribution.
- 8.8 If Supplier does not agree with Customer's determination as part of the Validation and Approval process, Supplier may raise this via Governance.
- 8.9 The Supplier shall extract and report on the progress for Cost Savings performance delivery and pipeline forecast on a monthly basis, which reports shall include as a minimum
- 8.9.1 Savings pipeline overview for Cost Savings contribution for annualised and by calendar year contribution, with a split by status classification described in 8.3
 - 8.9.2 Spend traction overview for Addressed Spend for annualised and by calendar year contribution, with a split by status classification described in 8.3
 - 8.9.3 Summary overview with details for any Lost Opportunities and associated Annual Addressed Spend
- 8.10 In addition to the requirements of this Schedule, Supplier shall report all Procurement Contributions in accordance with the Procurement Contribution Guidelines and the relevant user guides issued by Customer from time to time (including the GSMT User Guide).

Appendix 1

Examples

Cost Savings Sub-type	Sample Scenario	Baseline Calculation	Cost Savings Calculation	Key Assumptions
TCO – End to End Process	<ul style="list-style-type: none"> A Marketing event organized (in Jakarta) for potential customers at convention center, attended by 200 participants in Q1 2019. The services included performance by local artists, product presentation followed by lunch and complimentary gifts. Similar marketing event (in Jakarta) planned for Q1 2020 with estimated 300 participants. The services included performance and presentation followed by high-tea and complimentary gifts. 	<p>Baseline scope of service is evaluated and considered to be similarly equivalent for the new marketing event.</p> <p>Baseline will be calculated based on Last Year (prior period price) cost/head and planned participant head count (volume) for current year.</p> <p>2019: Cost per head = \$100, # Participants = 200</p> <p>2020: Cost per head = \$75 # Participants = 300</p> <p>Baseline Spend = (Old Cost per head) x (New Volumes) = (\$100) * (300) = \$30,000</p>	<p>Annual Cost Savings = (Baseline Spend) - (New Spend) = (\$30,000) - (75x300) = \$7,500</p> <p>Annual Addressed Spend = \$22,500</p> <p>Savings Start Date = 01 Feb 2020, single spend commitment</p> <p>Calendar Year Cost Savings 2020 = \$7,500 Calendar Year Cost Savings 2021 = n/a</p>	<p>For Marketing events with similarly equivalent scope of services, the historic cost per head can be used as a baseline and any optimization in services/scope (without hampering business objectives or conflicting with PMI guidelines) reported as TCO Cost Savings.</p>
TCO – End to End Process	<ul style="list-style-type: none"> A Marketing event organized (in Kuala Lumpur, Malaysia) for potential customers at a 4 star resort hotel, attended by 150 participants in Q3 2019. The services included performance and presentation followed by evening drinks reception. Similar marketing event (in Penang, Malaysia) planned for Q2 2020 with 	<p>Baseline scope of service is evaluated and considered to be different in scope for venue location & venue type, as well as the performance & evening reception drinks provided. Baseline approach will require adjustment to Old Cost per head using the quote breakdown details from the</p>	<p>Annual Cost Savings = (Baseline Spend) - (New Spend) = (\$15,000) - (\$45x300) = \$1,500</p> <p>Annual Addressed Spend = \$13,500</p>	<p>For Marketing events with similarly equivalent scope of services, the historic cost per head can be used as a baseline. Where the scope of services is not similarly equivalent then adjustments shall be made to correct the baseline to bring it to a similarly equivalent basis to determine the TCO Cost Savings.</p>

Cost Savings Sub-type	Sample Scenario	Baseline Calculation	Cost Savings Calculation	Key Assumptions
	estimated 300 participants. The services included the set-up at convention center and product presentation with basic coffee/tea refreshments only.	<p>event in 2019.</p> <p>Baseline will be calculated based on Adjusted Old cost per head and planned participant head count for current year.</p> <p>2019: Old Cost per head = \$70, adjusted to \$50 (-\$12 venue & performance, -\$8 drinks reception) # Participants = 150</p> <p>2020: Cost per head = \$45 # Participants = 300</p> <p>Baseline = (Adj Old Cost per head) x (New Volumes) = (\$50) * (300) = \$15,000</p>	<p>Savings Start Date = 01 May 2020, single spend commitment</p> <p>Calendar Year Cost Savings 2020 = \$1,500 Calendar Year Cost Savings 2021 = n/a</p>	
Price Saving	<ul style="list-style-type: none"> Price-Positive or Zero-difference Sourcing Solution Marketing Item was purchased in 2019 for the price \$10 per unit. In 2020 new sourcing event was performed for the same item and the newly agreed price was \$11 due to price inflation. New volume is 1000 items. 	<p>Baseline = Old Price x New Volumes = \$10 x 1000</p> <p>2020: New Price x New Volumes = \$11 x 1000 items = \$11,000</p>	<p>Annual Cost Savings = (Baseline Spend) – (New Spend) = -\$1,000 Negative value is not reported</p> <p>Annual Addressed Spend = \$11,000</p> <p>Savings Start Date = 01 Jan 2021, for 12 months</p>	<p>Despite the fact that Cost Savings outcome is zero or Price-Positive, the annual addressed spend is still calculated and reported.</p> <p>Negative Cost Savings is not reported, and ZERO savings will be input for the project.</p>

Cost Savings Sub-type	Sample Scenario	Baseline Calculation	Cost Savings Calculation	Key Assumptions
			Calendar Year Cost Savings 2020 = Zero	
Price Saving	<ul style="list-style-type: none"> An incumbent supplier had supplied goods at a price of \$20 per unit during 2020. Procurement identified an opportunity to put in place a contract, and negotiated a new 3-year contract which was established with the supplier on October 1st 2020 The pricing was negotiated from \$20 per unit to the new price of \$16 per unit, with the volume of units remaining the same at 1000 units per month 	<p>Baseline = Old Price x New Volumes</p> <p>2020 Baseline: Old Price x New Volume (Jan-Sep2020)= \$20 x 9months x 1000 items/month = \$180,000</p> <p>12-months Baseline Spend for comparison: Old Price x New Volume (Oct2020-Sep2021) = \$20 x 12months x 1000 items/month = \$240,000</p>	<p>Annual Cost Savings = (Baseline Spend – (New Price x New Volume) = \$240,000 – (\$16 x 12 months x 1000 items/month) = \$48,000</p> <p>Annual Addressed Spend = \$192,000</p> <p>Savings Start Date = 01 Oct 2020, for 12 months</p> <p>Calendar Year Cost Savings 2020 = (\$20-\$16) x 3months x 1000 items/month = \$12,000</p> <p>Calendar Year Cost Savings 2021 = (\$20-\$16) x 9months x 1000 items/month = \$36,000</p>	The pricing is fixed for 1-3 years with no indexation.
Cost Avoidance - Offset Market Increase	<ul style="list-style-type: none"> Telemarketing services contract renewal is renegotiated for an additional year, where the contract had a CPI (indexation) clause which 	Baseline spend was \$200,000, and will be adjusted for indexation at +5% and future volume at 75%	<p>Annual Cost Savings = ZERO</p> <p>Annual Addressed</p>	Despite the fact that Cost Savings outcome is zero, the annual addressed spend is still calculated and reported.

Cost Savings Sub-type	Sample Scenario	Baseline Calculation	Cost Savings Calculation	Key Assumptions
	<p>would apply a 5% pricing increase at renewal. Procurement sourcing project negotiated down to 2% pricing increase, and contract extension was signed.</p> <ul style="list-style-type: none"> Contract renewal is Apr-20 and will be for 12 months service. Prior year spend was \$200,000 per year, and the new volume of service will be reduced to 75% of the original volume. 	<p>2020: New Spend = New Price x Volume = (\$200,000 x 1.02) x 0.75 = \$153,000</p> <p>Cost Avoidance = (Baseline Spend) – (New Spend) = (\$200,000 x 1.05 x 0.75) - \$153,000 = \$4,500</p>	<p>Spend = \$200,000 x 0.75 x 1.02 = \$153,000</p> <p>Savings Start Date = 01 Apr 2020, for 12 months</p> <p>Calendar Year Cost Savings 2020 = ZERO Calendar Year Cost Savings 2021 = ZERO</p>	<p>Cost Avoidance of \$4,500 can be reported and tracked as the project offset market inflation.</p>
Cost Saving - TCO	<ul style="list-style-type: none"> A contract with a Game Hosting Provider was initiated to support iQOS product in Jan'2019. Development & deployment costs were \$378k. Operation & management costs were \$370k for the year. Procurement negotiated new costs for only the Graphix server fee within the operation & management costs, with this server fee reduced from \$86k to \$76k per year, which new cost would apply from Jan'2020 	<p>Baseline excludes development & deployment cost and will require adjustment for the operation and management costs for the purposes of comparison of the ongoing scope of services.</p> <p>Only the server fee reduction will be considered for the calculation of savings contribution.</p> <p>Baseline Spend = \$370,000 for the next years volume of service for 2020, considering the development & deployment was completed in 2019 as part of the 1st year costs.</p>	<p>Annual Cost Savings = (Baseline Spend) – (New Spend) = \$370,000 – ((\$370,000-(\$86,000-\$76,000))) = \$10,000</p> <p>Annual Addressed Spend = \$360,000</p> <p>Savings Start Date = 01 Jan 2020, for 12 months</p> <p>Calendar Year Cost Savings 2020 = \$10,000</p>	<p>Principle of equivalency of scope to be applied</p>
TCO – End to End Process	<ul style="list-style-type: none"> In 2019, there were inaugurations for 5 stores across the country (in Q1). A supplier managed activities such as store opening, shifting, cleaning etc. Also, supplier managed ongoing cleaning of 10 stores for entire year. Total fees charged for the scope 	<p>Baseline scope is evaluated and considered to be slightly different, and only the ongoing cleaning scope should be comparable.</p> <p>Baseline unit cost of the ongoing</p>	<p>Annual Cost Savings = (Baseline Spend) - (New Spend) = (\$96,000) - (15 x \$6,000) = \$6,000</p>	<p>If new consumption model/ service plan is replaced with a new model or mix, the baseline shall be based on previous model/plan adjusted if necessary to ensure similarly equivalent scope for unit cost</p>

Cost Savings Sub-type	Sample Scenario	Baseline Calculation	Cost Savings Calculation	Key Assumptions
	<p>was \$100,000</p> <ul style="list-style-type: none"> In 2020, the supplier charged \$6,000 per store for on-going maintenance (Total 15 stores) 	<p>cleaning of the 10 + 5 stores was identified to be \$6400 per store from the original supplier quote breakdown, so \$96,000 of the total \$100,000 fees.</p> <p>Baseline = Adjusted Last year spend with the supplier = \$6,400 x 15 = \$96,000</p>	<p>Annual Addressed Spend = \$90,000</p> <p>Savings Start Date = 01 Jan 2020, for 12 months</p> <p>Calendar Year Cost Savings 2020 = \$6,000</p>	<p>comparison.</p> <p>Usage reduction identified and implemented as part of project reported as TCO Cost Savings.</p>
TCO – Mix Rationalization	<ul style="list-style-type: none"> In 2019, business end-users were being charged \$250 annually for voice and data plans from a Telecom Service Provider Procurement analyzed the consumption pattern and suggested use of customized plans for hierarchy/BU/Function, and procurement initiated cancellation of plans without charge to accommodate the reduction in number of users due to organization restructuring Also, rates for existing plans were benchmarked and re-negotiated during contract renewal for 2020 with the incumbent Service Provider <p>2019: Plan/user = \$250, # Users = 430</p> <p>2020: Plan/User = \$210 # Users = 380</p>	<p>Baseline = Last year spend with the supplier = \$107,500</p> <p>Baseline will consider the original # Users as these are representative in the baseline prior to cancellation by procurement for the ongoing services.</p>	<p>Annual Cost Savings = (Baseline Spend) - (New Spend) = (\$250 x 430) - (\$210 x 380) = \$107,500 - \$79,800 = \$27,700</p> <p>Annual Addressed Spend = \$79,800</p> <p>Savings Start Date = 01 Apr 2020, for 12 months</p> <p>Calendar Year Cost Savings 2020 = \$20,775</p> <p>Calendar Year Cost Savings 2021 = \$6,925</p>	<p>If new consumption model/ service plan is replaced with a new model or mix, the baseline shall be based on previous model/plan.</p> <p>Usage reduction identified and implemented as part of project reported as TCO Cost Savings</p>
TCO – Effort Rationalization	<ul style="list-style-type: none"> Supplier managed 6 existing RRP stores in a country with exhaustive cleaning and janitorial services. Supplier was paid \$2,000 	<p>Baseline = Last year spend with the supplier = 6 x \$2,000 x 12</p>	<p>Annual Cost Savings = (Baseline Spend) - (New Spend)</p>	<p>Reduction in supplier spend owing to optimization of services reported as TCO Cost Savings</p>

Cost Savings Sub-type	Sample Scenario	Baseline Calculation	Cost Savings Calculation	Key Assumptions
	<p>per store per month for cleaning and janitorial services.</p> <ul style="list-style-type: none"> A Project team was formed including Procurement and Business to optimize cleaning cost. Project team analyzed cleaning requirements based on customer movement in stores and classified areas into different categories. Cleaning frequency and requirement was optimized (reduced for back store areas and retained for front store areas). Supplier agreed on a service rate of \$1600 per store per month based on new cleaning requirements. 	= \$144,000	<p>= (\$144,000) - (6x\$1600x12) = \$28,800</p> <p>Annual Addressed Spend = \$115,200</p> <p>Savings Start Date = 01 Jul 2020, for 12 months</p> <p>Calendar Year Cost Savings 2020 = \$14,400 Calendar Year Cost Savings 2021 = \$14,400</p>	
Price Savings	<ul style="list-style-type: none"> A supplier charged \$100 per SKU for production and packaging. The unit price per SKU included the initial/setup costs After contract expiry, the contract was extended with the incumbent and the unit price per SKU was reduced to \$80, after removing the initial/setup costs 	<p>Baseline scope is evaluated and considered to be different, and the unit price per SKU be should be comparable in scope to remove the set-up costs.</p> <p>Annual Volumes = 1,000</p> <p>Baseline = (Adjusted Old unit price per SKU) x (Annual Volumes) =\$80 x 1,000 =\$80,000</p>	<p>Annual Cost Savings = (Baseline Spend) - (New Spend) = \$80,000 - (\$80x1000) = ZERO</p> <p>Annual Addressed Spend = \$80,000</p> <p>Savings Start Date = 01 Apr 2020, for 12 months</p> <p>Calendar Year Cost Savings 2020 = ZERO Calendar Year Cost</p>	Any reduction in onetime setup or initial cost which was incurred last year and is not applicable in the current year shall NOT be considered as Price Savings.

Cost Savings Sub-type	Sample Scenario	Baseline Calculation	Cost Savings Calculation	Key Assumptions
			Savings 2021 = ZERO	
Price Savings	<ul style="list-style-type: none"> Customer leased 10 cars from a Travel Management company in 2017 for 3 years. The annual lease cost was \$50,000 In 2020, the client extended the lease for the 10 cars by a year. The Travel Management company offered a 10% discount on the annual lease cost and charged \$45,000 	Baseline = Initial Lease Cost	<p>Annual Cost Savings = Initial Lease Cost – New Lease Cost = \$50,000 - \$45,000 = \$5,000</p> <p>Annual Addressed Spend = \$45,000</p> <p>Savings Start Date = 01 Apr 2020, for 12 months</p> <p>Calendar Year Cost Savings 2020 = \$3,750 Calendar Year Cost Savings 2021 = \$1,250</p>	If life of an asset is extended, the initial lease cost for the new asset shall be considered as the baseline where similarly equivalent scope is preserved
Year End Volume Rebates	<ul style="list-style-type: none"> Business spent \$1,000,000 in 2020 with a digital agency. The contract expired at end 2020 The digital agency agreed to give a discount in two slabs - 2% for spend \$500,000 - \$1,000,000, 3% above \$1,000,000. The expected spend for 2021 is \$900,000 	Baseline Spend will be the expected spend for the year = \$900,000	<p>Annual Cost Savings = \$900,000 x 2% = \$18,000</p> <p>Annual Addressed Spend = \$900,000</p> <p>Savings Start Date = 01 Jan 2021, one-time rebate at end of year</p> <p>Calendar Year Cost Savings 2021 = \$18,000</p>	<p>Baseline for rebate calculation shall be Estimated Spend for the Year and reported as Cost Savings</p> <p>Actual volume/spend will be validated at Year End to confirm identified rebate is correct at 2% or 3%.</p>
TCO	-	• Manufacturing stakeholder require feeder	Baseline Spend will be the OEM	Baseline in the case of supply vs

Cost Savings Sub-type	Sample Scenario	Baseline Calculation	Cost Savings Calculation	Key Assumptions
Productivity Savings	<p>motor and other technical material like rollers to be replaced or repaired.</p> <ul style="list-style-type: none"> TP Spot buy team identified potential suppliers who can refurbish the material including pickup and supply back of the refurbished parts, L1 quote from qualified supplier for refurbishment = \$15,000. Supply quote received from OEM supplier for list of items = \$75,000. 	supplier quote received = \$75,000	<p>Annual Cost Savings = OEM supplier quote value - Refurbishment quote value = \$50,000</p> <p>Annual Addressed Spend = \$15,000</p> <p>Savings Start Date = 01 Jun 2020, single spend commitment</p> <p>Calendar Year Cost Savings 2020 = \$50,000</p>	refurbishment will be OEM supplier quote received / available from valid price list.
TCO Productivity Savings	<ul style="list-style-type: none"> Manufacturing stakeholder require cutting blades to be bought for one of the plants in Indonesia. Historically the plant has used Make "X" cutting blades. Total requirement is of 100 blades. TP Spot buy team identified alternate Make "Y" for the cutting blades which offers 2x (twice) useful life as compared to Make "X". Samples arranged for Make "Y" and plant technical team tested and confirmed acceptance and useful life. Make "X" quote value for 100 blades = \$30,000. Make "Y" quote value for 50 blades = \$20,000. 	<p>Baseline Spend will be the supply quote of OEM part currently used = \$30,000</p> <p>Make "Y" provides a useful life that is twice as long as Make "X", and therefore the volume is considered to be 50 blades for Make "Y" to give a similarly equivalent scope for comparison.</p>	<p>Annual Cost Savings = (Supply Quote for current make) - (Supply quote for alternate make) = \$10,000</p> <p>Annual Addressed Spend = \$20,000</p> <p>Savings Start Date = 01 Apr 2020, single spend commitment</p> <p>Calendar Year Cost Savings 2020 = \$10,000</p>	<p>Baseline in the case of alternate supplier will be the price of current OEM.</p> <p>Also, any reduction in requirement due to enhanced useful life shall be factored into the savings calculation.</p>

Schedule 6

Transition

1. DEFINITIONS

For the purposes of this Schedule 6 (Transition), the following terms shall have the following meanings:

- 1.1 **"Acceptance Criteria"** means the criteria and requirements set out in this Agreement, this Schedule and the Transition Plan, Customer's reasonable requirements (including the compatibility with the Customer's business objectives), and any additional criteria agreed as part of the Transition execution.
- 1.2 **"Final Go Live Date"** means the date of the final Go Live Acceptance is provided by Customer and all elements of all Services Elements in scope of this Agreement, in all Customer Countries, and across all Waves, have Gone Live.
- 1.3 **"Go Live"** meaning the provision of the full scope of Services for live productive purposes (e.g. performance of real tactical sourcing activities and not for the purposes of Transition) at start of Stabilisation, and "Gone Live" shall be construed accordingly.
- 1.4 **"Go Live Acceptance"** has the meaning give to it in Paragraph 3.6;
- 1.5 **"Go Live Date"** means the date (or dates) that the relevant part(s) of the Services Go Live;
- 1.6 **"Go Live Readiness Checklist"** means the checklist with the same name developed by Supplier and Accepted by Customer during Transition which contains all requirements reasonably required by Customer to be confident in Supplier's ability to perform the Services on a live productive basis in accordance with the Service Levels and all other requirements of this Agreement.
- 1.7 **"IT Readiness Checklist"** means the checklist with the same name developed by Supplier and Accepted by Customer during Transition which contains all requirements reasonably required by Customer to be confident that all technology required in connection with the provision of the Services on a live productive basis is in place, operating correctly, and in accordance with the requirements of this Agreement (including the security schedule)
- 1.8 **"Key Transition Activities"** means those activities required to complete a Transition Task as set forth in Paragraph 5 of this schedule.
- 1.9 **"Outline Transition Plan"** means the preliminary Transition Plan as set forth in Appendix 1 of this schedule.
- 1.10 **"Readiness Checklists"** means the IT Readiness Checklist, the Go Live Readiness Checklist, and any other similar checklist required by this Schedule.
- 1.11 **"Stabilisation"** means the period after Go Live and which lasts until Stabilisation Acceptance and during this period shall include those activities described in Paragraph 6 and the Transition Plan.
- 1.12 **"Transition Milestone"** means a Transition phase during which certain activities are undertaken and certain objectives achieved, as described in this schedule (including each item identified in the Transition Plan, including the target Go Live dates)
- 1.13 **"Transition Milestone Dates"** means those dates specified in the Transition Plan for each Transition Milestone.

- 1.14 **"Transition Notice Date"** means the date Customer provides written notice to Supplier stating the intention to commence Transition on the Transition Start Date;
- 1.15 **"Transition Period"** means the Transition Start Date to the Transition Completion Date;
- 1.16 **"Transition Plan"** means the joint Outline Transition Plan, as updated and superseded from time to time pursuant to Paragraph 4 (including the detailed Transition Plan once agreed).
- 1.17 **"Transition Services"** means those Services set out or referred to in, or required by, this Schedule and
- 1.18 **"Transition Start Date"** means the Transition Notice Date plus four months.
- 1.19 **"Transition"** shall be construed accordingly.
- 1.20 **"Transition Completion Date"** means the date after the Final Go Live Date and the completion of all other activities under this Schedule (including receiving Stabilisation Acceptance for all Service Elements);
- 1.21 **"Wave"** means for the purposes of the delivery of a Service Element, a sub-set of Customer Countries in relation to that Service Element, or sub-set of the Service Element, as identified in the Transition Plan.

2. GENERAL

- 2.1 No Transition Services shall be provided until the Transition Start Date (other than pre-planning activities). Transition Services in relation to the First Local Agreement are provided directly under this Agreement and not the First Local Agreement until the First Local Agreement is signed.
- 2.2 This Schedule sets out the Transition Services required to enable the transfer of various procurement services from the current procurement function of Customer to the Supplier so that Supplier is able to perform the Services in accordance with the requirements set out in 'Schedule 2 - Services'.
- 2.3 The Supplier shall deliver the Transition Services in accordance with the Transition Plan and in any event shall ensure that all Transition Milestones are achieved by the respective Transition Milestone Dates.
- 2.4 Notwithstanding anything to the contrary in this Agreement (but subject to 2.7 below), the Supplier shall achieve each Transition Milestone by the relevant Transition Milestone Date (including ensuring that the Services Go Live by the relevant Go Live Transition Milestone Date).
- 2.5 Supplier shall ensure that during Transition and prior to Go Live all documents that are required to be provided or updated during Transition (as specified in this Agreement) are provided (unless an alternative is agreed by Customer (in Customer's reasonable discretion)).
- 2.6 Waves:
 - 2.6.1 Certain Service Elements will be delivered on a wave basis. Where a Service Element is identified in the Transition Plan as being delivered on a wave basis, then references in this Schedule to a Transition Milestone being delivered by the Transition Milestone Date shall be read as the Customer Countries within that wave being delivered by the relevant Transition Milestone Date for that wave.
 - 2.6.2 The Customer Countries within each Wave shall be as set out in the detailed Transition Plan agreed by the Parties.
 - 2.6.3 For the avoidance of doubt, each Wave shall require its own Go Live Acceptance.

- 2.7 The Services (and each Service Element) shall not Go Live until Customer has provided Go Live Acceptance for those Services (or Service Element) which shall not be unreasonably delayed. Customer shall not be required to provide Go Live Acceptance prior to the relevant Transition Milestone Date.
- 2.8 Relief: for the avoidance of doubt, the obligations on Supplier in this Schedule are subject to any relief granted pursuant to Section 13 due to the occurrence of a Relief Event.

3. TRANSITION APPROACH

- 3.1 The Transition Approach describes the methodology for Transition and is designed to ensure smooth transfer of the in-scope procurement Services to the Supplier without causing a negative impact to the Customer's ongoing projects and programs.
- 3.2 The Supplier must follow the Transition Approach set out in this paragraph 3 and the remainder of this Schedule and the Transition Plan to achieve the Transition Milestones, Deliverables or other elements set out in the Transition Plan in accordance with the Transition Milestone Dates and other time periods specified in the Transition Plan.
- 3.3 The Transition Approach includes the following:
 - 3.3.1 the dates and process by which the implementation of procurement Services, and any integration between Supplier and Customer processes and systems will be captured
 - 3.3.2 Transition Services to be performed in order to implement the in-scope Steady-State Service
- 3.4 Acceptance
 - 3.4.1 All elements of Transition shall require Customer's written Acceptance, which shall not be unreasonably delayed. The basis for Acceptance shall be whether Customer reasonably determines that the relevant item meets the Acceptance Criteria. The Customer may only withhold its Acceptance under this Paragraph if it has reasonable grounds to do so.
 - 3.4.2 In particular all Transition Documentation and all Milestones shall not be considered "met", "achieved", "approved", "signed off" or "accepted" (or similar) unless and until Customer has provided its written Acceptance.
 - 3.4.3 The Supplier shall notify the Customer when it considers that an element of Transition is ready for Acceptance.
 - 3.4.4 Customer shall have no obligation to provide Acceptance if that item does not meet the requirements of this Agreement. If Customer rejects an item, it shall provide Supplier with a notice of rejection stating the reasons for rejection and Supplier shall correct the issue giving rise to the rejection and repeat the delivery of that element of Transition for Customer's further Acceptance. For the avoidance of doubt where sign off or approval (or similar) is a Customer "responsibility" (or similar) this shall be an obligation to approve or reject, as applicable.
- 3.5 Without prejudice to Supplier's obligations under this Schedule (but subject to Paragraph 2.7 above), and Customer's other rights and remedies, if Supplier fails to achieve Acceptance for any element of Transition within three (3) months of the deadline in the Transition Plan then Customer shall have the right to terminate the Agreement pursuant to Section 30.1.2(c). For the avoidance of doubt this includes a failure to achieve Acceptance for any Milestone within three (3) months of the Transition Milestone Date. In addition to any other Acceptance requirements or prior Acceptance achieved, Supplier shall need to:
 - 3.5.1 achieve Go Live Acceptance prior to Go Live; and

3.5.2 achieve Stabilisation Acceptance prior to the end of Stabilisation, as further detailed below.

3.6 Go Live Acceptance

3.6.1 Go Live Acceptance is in addition to any other Acceptance, and is a final formal confirmation from Customer that the Services are ready to Go Live.

3.6.2 Customer shall provide its written "**Go Live Acceptance**" if:

- (a) Supplier has performed all relevant Transition Services in accordance with this Agreement and to Customer's reasonable satisfaction and has received Acceptance for all items; and
- (b) Supplier has demonstrated to Customer's reasonable satisfaction that the Services are ready to Go Live in accordance with the requirements of this Agreement (including meeting the requirements of the Readiness Checklists)

3.7 Stabilisation Acceptance

3.7.1 Supplier shall provide Stabilisation for all Service Elements from the relevant Go Live Dates until Customer provides Stabilisation Acceptance.

3.7.2 Customer shall provide its written "Stabilisation Acceptance" for each Service Element only if:

- (a) all Waves for that Service Element have Gone Live (if applicable);
- (b) Supplier has performed the activities set out in Appendix 2 and Customer has signed off those activities in accordance with the Acceptance Criteria agreed by the Parties during Transition;
- (c) Supplier is not in breach of the Agreement (including any criteria which were relevant to Go Live Acceptance and which by their nature remain relevant to the post Go Live period); and
- (d) Customer reasonably determines Supplier is delivering all Services in accordance with the required Services description and Business Critical Services Levels.

4. TRANSITION PLAN

4.1 In the Outline Transition Plan the Milestones don't have specific dates, but are calculated from the Transition Start Date (which is the start of "W1"). Once the Transition Start Date is known, then Outline Transition Plan shall automatically be deemed to reflect the actual date of the Transition Start Date (and all dates that are plus or minus the Transition Start Date shall be plus or minus the actual Transition Start Date) unless the parties mutually agree to an alternative schedule in accordance with 4.8. For example a date that is stated to be "W4" is the start of the fourth week from the Transition Start Date.

4.2 The Supplier will perform the Transition in a way that minimizes disruption to the Customer's business and meets Customer's business requirements.

4.3 The Supplier will plan, prepare for and conduct Transition in accordance with the schedule set forth in the Transition Plan.

4.4 Each party shall comply with its respective obligations set out in the Transition Plan.

4.5 At or around the Transition Notice Date, Customer may change the order and scope of the Outline Transition Plan and Supplier shall revise the Outline Transition Plan accordingly.

- 4.6 As at the Effective Date the Transition Plan is agreed only in high level detail (referred to as the Outline Transition Plan, as updated as required by Customer pursuant to 4.5 above). Supplier will, 8 weeks prior to the Transition Start Date, submit for Customer's Acceptance, a detailed Transition Plan based on the Outline Transition Plan but updated to reflect the granular level of detail required to carry out and project manage the Transition within the agreed timing, together with any reasonable modifications required by Customer.
- 4.7 Until such time as the detailed Transition Plan is agreed, the Supplier shall act in accordance with the Outline Transition Plan and Customer's reasonable instructions.
- 4.8 Other than the automatic adjustment pursuant to Paragraph 4.1, the Parties shall document any changes to the Transition Plan which impacts on the Transition Milestone Dates via the Change Control Procedure provided that in developing or changing the Transition Plan Supplier shall not impose any additional Charges or obligations on Customer, or change Customer's Transition Responsibilities without Customer's approval (to be given or refused in Customer's reasonable discretion).
- 4.9 Supplier shall promptly notify Customer in writing if it reasonably believes that it will not be able to meet or will be delayed in meeting its obligations under this Schedule 6, providing the Customer with details of, and the reasons for, the delay or expected delay, and of the steps it is taking to avoid or minimise the delay or expected delay.

5. TRANSITION EXECUTION MANAGEMENT AND REPORTING

- 5.1 Supplier will be responsible for managing, monitoring and implementing Transition. Specifically, Supplier will:
 - 5.1.1 proactively identify, monitor, and manage any significant risks or issues in relation to Transition;
 - 5.1.2 manage (including execution management), coordinate and plan all aspects of Transition (whether performed by Supplier, Customer, or any Third Party);
 - 5.1.3 monitor progress of all Transition tasks and responsibilities (whether the responsibility of Supplier, Customer, or any Third Party (including Customer Transition Responsibilities)) against the Transition Plan and promptly escalate to Customer Transition Lead any failures (or potential failures) to perform any tasks or responsibilities, including failures by Customer or Third parties;
 - 5.1.4 where workshops are needed as a tool to deliver Transition, to initiate, administer, and lead the workshops (including providing Customer with advance notice of the timing, location, and proposed agenda for such workshops as appropriate) (to be hosted remotely unless otherwise required by Customer);
 - 5.1.5 carry out knowledge transfer between Customer and the Supplier's Transition team;
 - 5.1.6 manage the Transition Plan and the management activities and deliverables set forth therein; and
 - 5.1.7 oversee the deliverables as set forth in the Transition Plan
- 5.2 Supplier confirms that (other than those Customer Roles in 9.2) it will not assume or plan on Customer dedicating any significant level of resources to the Transition. Notwithstanding anything to the contrary, any requirement of Customer to provide certain information or document, or perform certain activities, is an obligation to provide or perform within a reasonable period of time following reasonable request by Supplier, and where that is within Customer's possession, control or competence.
- 5.3 The Parties shall provide regular status updates on the activities within the Transition Plan and Supplier shall then provide the following set of reports:

- 5.3.1 the status of the Transition Services activities
- 5.3.2 the progress of the work being performed in relation to Key Transition Activities and Deliverables, as set out in Appendix 2.
- 5.3.3 actual and anticipated delays to Transition Services, the production of Transition Deliverables and/or the achievement of any Milestone in each case of which they are or ought reasonably to be aware
- 5.3.4 major actual and anticipated problems, issues and risks, the likely impact of such problems on Transition Services, the production of Transition Deliverables and/or the achievement of any Milestone and any mitigating actions being taken by the Party to remedy the problems.

6. TRANSITION TASKS, ACTIVITIES AND DELIVERABLES

- 6.1 Following are the Key Transition Activities to take place during transition, as set forth in the Outline Transition Plan with Supplier retaining primary responsibility for managing and driving execution of the Transition.

Transition Task	Key Activities
Transition Planning and Preparation	<ul style="list-style-type: none"> • Transition kick-off and PMO setup • Supplier transition resources onboarding and gradual ramp up • Identify key stakeholders and finalize roles and responsibilities for transition • Develop detailed transition plan • Design operating and governance model for transition • Finalize support available from Customer and Supplier during the transition period (team, availability, roles, etc.) • Finalize transition milestone acceptance criteria and governance for approvals • Develop and deploy KT template, commence knowledge transfer
Transition Execution	<ul style="list-style-type: none"> • Workforce management (Supplier ramp up and Customer Ramp down) • Governance set-up for steady state • Stakeholder interviews and assessment of current state • Future state design, discussion and sign-off • Steady state team onboarding and training • Cut over planning and defining metrics for Hyper care • Develop customized reports and dashboards • Develop and execute change management plan • Work shadowing and reverse shadowing with Customer existing team • Technology implementation and integration (if applicable) • Finalize (to the extent not covered in the above stage) or revalidate transition milestone acceptance criteria and governance
Stabilisation	<ul style="list-style-type: none"> • Stabilisation is the period of heightened support and visibility immediately following go-live, to ensure service delivery quality from the Supplier and service adoption by the Customer. To measure service delivery quality and adoption of the new operating model, both qualitative and quantitative metrics are defined during transition. In addition to Service Levels, these metrics may include the following: <ul style="list-style-type: none"> – Qualitative: – CSATs

	<ul style="list-style-type: none"> – Focus group feedback – Quantitative – number of escalations – issue resolution time and rate
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6.2 The following are the key Transition Documents to be developed and delivered by Supplier in accordance with the Transition Plan and to meet the requirements of this Schedule (including Customer's reasonable requirements):

- As-is process maps and procedures
- To-be process maps and SOPs including RACI for Supplier and Customer*
- Governance structure for steady state
- Additional Acceptance Criteria, if any defined for Customer sign-off on respective elements of the Transition Services and each Transition Milestones*
- Reporting templates and frequency*
- Training documents for new resources
- Change management plan
- Cut-Over Plan*
- IT Readiness Checklist*
- Go Live Readiness Checklist*

*Requires formal written Customer Acceptance

Any additional Deliverables will be discussed and agreed upon with Customer, for inclusion in the Transition Deliverables during pre-Transition planning or Transition execution.

7. MILESTONES

7.1 The key Transition Milestones are referred to below and more fully described in Appendix 2:

- 7.1.1 Milestone 1: Commencement Due Diligence and Pre-transition planning completed
- 7.1.2 Milestone 2: Knowledge Transfer – KT completed, As-is state documented, To-be state agreed & documented.
- 7.1.3 Milestone 3: Technology Setup – Technology set-up, deployment and testing complete, Supplier toolset integration complete
- 7.1.4 Milestone 4: Go Live: Go Live Readiness – Cutover Plan agreed, service readiness testing completed
- 7.1.5 Milestone 5: Stabilization Exit – Complete service cutover, Stabilisation completed.

7.2 The Wave approach will apply only to Milestones 4 and 5, and then only where the Transition Plan refers to Waves for that Service

7.3 The scope of activities within the as-is state shall not be reduced (in scope, scale or quality) in the to-be state, unless expressly agreed by Customer.

8. TRANSITION GOVERNANCE

8.1 Schedule 9 – Governance' sets out the governance approach that will apply to the Transition Period.

8.2 The Supplier will be responsible for ensuring appropriate monitoring of implementation of the Transition Services and Supplier Systems configuration, including:

8.2.1 reporting to Customer on Transition progress, developing at a minimum the reports defined in Schedule 9 (Governance); and

8.2.2 monitoring progress of all the Supplier's Transition obligations, activities and responsibilities against the Transition Approach and the detailed Transition Plan and promptly escalating to Customer any failures (or potential failures) of either party to perform any such obligations, activities, or responsibilities.

9. TRANSITION ROLES

9.1 Supplier Roles

Role	Key elements of role
Exec Sponsor	<ul style="list-style-type: none">• Key sponsor, with executive ownership for successful delivery of services and for account relationship• Final step in the issue resolution process, prior to triggering dispute resolution
Program/Transition Lead and supporting PMO resource(s)	<ul style="list-style-type: none">• Transition lead will direct key Supplier communication and change activities, including communication planning, execution, and business readiness• Will plan, coordinate, and manage all Supplier implementation management activities, including recruitment, redeployment, knowledge capture, training, infrastructure deployment, and readiness• Identify issues and risks associated with Supplier implementation management and develop mitigation plans• Communicate within Customer's organisation and to the executive management• Report on progress of implementation against the plan
Delivery Center Leads/ Equivalent	<ul style="list-style-type: none">• Support Program Lead and Transition Lead to plan, coordinate, and manage all Supplier implementation management activities, including recruitment, redeployment, knowledge capture, training, infrastructure deployment, and readiness• Support Customer communication in respective regions• Capture region specific nuances and provide change recommendations on already implemented processes, required for respective regions• Ensure local alignment and work with global teams
IT Technical Lead (Part-Time)	<ul style="list-style-type: none">• Work with Customer to plan and implement connectivity between Customer and Supplier centres• Test connectivity to Customer's systems, applications, and tools, including network, infrastructure, and logons• Implement data security, network security, and data privacy as per Customer policies and contract terms• Work with Customer's IT lead to resolve any IT-related issues and dependencies
Change Management Lead	<ul style="list-style-type: none">• Develop change management framework, strategy and detailed plan

	<ul style="list-style-type: none"> • Identify key impacted stakeholders and develop targeted communication plan • Establish a network of change agents and support Customer on change management initiatives • Communicate with Customer leadership on any change management issues and resolve escalations • Ensure alignment with key Customer stakeholders and drive adoption for new ways of working • Conduct change readiness assessment and adapt change management plan
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9.2 Customer Roles

Role	Key elements of role	Expected Time Commitment
Program Executive	<ul style="list-style-type: none"> • Provide senior executive presence in kick-off and governance meetings • Provide guidance to the overall program team, remove obstacles, and work closely with the Supplier's executives to facilitate program transition • Ensure leadership alignment and validate transition objectives 	5% - 10%
Transition Lead	<ul style="list-style-type: none"> • Coordinate Customer responsibilities and activities within Transition and work closely and collaboratively with the Supplier Transition Lead • Identify empowered individuals who can review and agree on all standard operating procedures and joint process maps created for each/all processes • Provide as-is documents (process maps, SOPs, etc.) on request • Validate Supplier's understanding of as-is state and gaps on request 	80%
Communications & Change Management Lead	<ul style="list-style-type: none"> • Communicate transition objectives to stakeholders across Customer • Direct key communications and change activities (provided by Supplier) including communication planning and execution, end-user training, and readiness • Support periodic communications as needed (communications with key users/stakeholders, team members etc.) 	20% - 40%

Process Leads / Global Process Owners	<ul style="list-style-type: none"> • Provide SOPs for as-is processes, policy documents and explain how current procurement team in region/market affiliates currently operate • Provide inputs on local nuances and how in-scope countries in AP operate differently from the global organization • Provide access to stakeholders for interviews and validate recommendations for future-state process design • Work closely with Supplier transition team to ensure issues and escalations are resolved promptly 	40% - 60%
Technology Lead and IT Support	<ul style="list-style-type: none"> • Provide inputs in the development of future state digital procurement strategy and roadmap • Approve the future state procurement technology recommendations • Provide access to existing tools and technology to Supplier stakeholders • Support future state technology implementation across different regions 	As Needed

APPENDIX 1

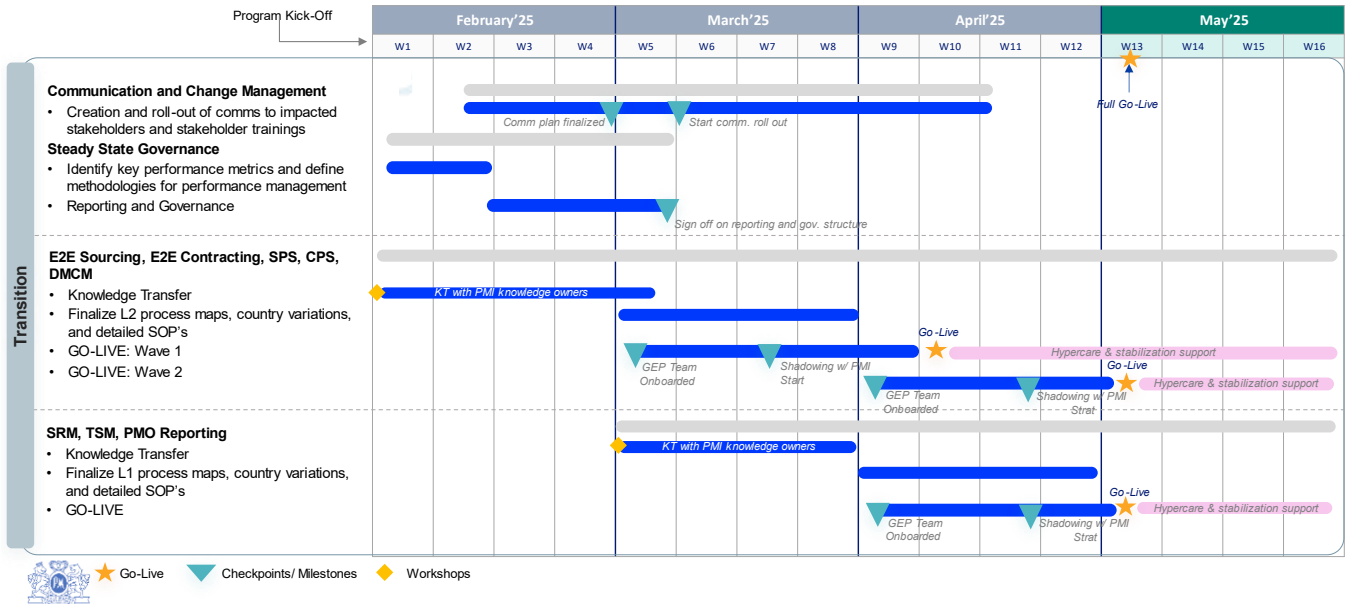
Outline Transition Plan

Detailed transition plan will be elaborated during Transition Preparation phase Nov'2024 – Jan'2025. Current plan set out in Table below:-

DRAFT TRANSITION SUMMARY VIEW

PROCUREMENT OPERATIONS

To be discussed - draft version



APPENDIX 2

Milestones and Deliverables

Milestones	Sub-Milestones	Key Activity / Deliverables	Supplier Sign-off	Customer Sign-off
Milestone 1 – Commencement	1. Due Diligence & Detailed Transition Planning Complete	Due Diligence and solution validation step complete, transition approach aligned.	Nikunj Khemani	Executive Sponsor
	2. Transition mobilisation & kick-off complete	Team onboarding, Kick-off complete with key stakeholders, Governance aligned, KT Templates developed, KT information collected and captured, overall Transition plan aligned	Nikunj Khemani	Transition Lead
	3. Change & Comms Plan defined	Change & comms plan in place incl. change impact analysis	Nikunj Khemani	Change and Comms. Lead
Milestone 2 – KT Completion	4. Process & Procedures Updated	Stakeholder interviews completed, "As-is" process documents sign-off. Design Review workshop completed - Discussion and finalization of "To-be" Process	Nikunj Khemani	NA
	5. Knowledge Transfer Complete	Knowledge Transfer completed - "To-Be" Process sign-off, SOP sign-off	Nikunj Khemani	Executive Sponsor
	6. Staff Ramp-Up, Onboarding	Supplier operation team ramp-up, onboarding & training	Nikunj Khemani	NA
Milestone 3 – Technology Set Up	7. Technology Set Up	Technology agreed in Schedule 12 to be provided by relevant party: - set-up, provisioning and testing - additional system/tools (such as phone lines, ticketing tools etc., as needed) deployed - interconnectivity tested and signed off. - establish security	Nikunj Khemani	IT Lead
Milestone 4 – Go-live readiness	8. Cut Over Planning complete	Cutover plan finalization and sign-off, hyper care metrics defined and signed-off.	Nikunj Khemani	Transition Lead
	9. IT Readiness checks	Meets requirements of the IT Readiness Checklist	Nikunj Khemani	Transition Lead

		Includes: All system/tools access/interconnectivity working for the Service Element and relevant Supplier / Customer personnel IT systems meet security requirements in this Agreement		
	10. Go Live Readiness Testing Complete	Meets requirements of the Go Live Readiness Checklist Includes: Service Readiness testing - Final check on people, system readiness and Go Live sign-off.	Nikunj Khemani	Executive Sponsor
Milestone 5 – Stabilisation Exit	11. Service Cutover & Stabilisation Completed	Meets requirements for Stabilisation Acceptance. Includes: <ul style="list-style-type: none"> • Cutover plan executed • Stabilization sessions executed, • Supplier meets Business Critical Service Levels • Customer survey, improvement action identified and implemented - Supplier is operating to SOPs • Supplier can reasonably demonstrate that the capacity and capability of the Supplier teams are sufficient to continue to deliver the Services for the actual and expected volumes • Supplier can demonstrate that the intended / right activities are flowing into Supplier teams (per the intended PROCUREMENT OPERATIONS ways of working) 	Nikunj Khemani	Executive Sponsor

Schedule 7

TRANSFORMATION

1. INTRODUCTION

- 1.1 This Schedule 7 (Transformation) is designed to align on the principles of Transformation. Both parties recognize the importance of transforming Customer Group's regular Procurement Operations delivery model in accordance with Customer Krakow Global Procurement Operations model and Supplier best practices. Supplier will adapt these transformation principles to include MEA CIS and LAC (excluding US) geographies. Supplier will both deliver changes directly as part of transformation and support Customer in their transformation journey leveraging Supplier's procurement expertise.
- 1.2 Transformation will include a broad set of activities which will assist Customer in the journey from the current state processes to the envisioned future state for the Global Procurement Operations Model North Star. These activities will help identify the changes required in people, processes / policies, and tools to drive efficiencies and achieve the purpose of transformation in the program.
- 1.3 This Schedule sets out the key Transformation activities and obligations of both Parties and identifies the Transformation Deliverables, noting that Supplier will require support and/or action from Customer to successfully deliver these activities.
- 1.4 Supplier will support Customer on Customer led activities as Customer seek to drive changes in its business operations. The Parties shall carry out the Transformation Services and Deliverables in accordance with the Transformation principles.
- 1.5 In addition, Supplier will support the development of the GLOBAL PROCUREMENT OPERATIONS at Customer by carrying out various other transformation activities to achieve the purposes set forth below.
- 1.6 The potential distinct individual activities involved in transformation are listed below, however, all activities will be managed together as a single comprehensive, homogeneous transformation over the contract term.
- 1.7 Supplier is expected to bring additional benefits through transformation, and this Schedule 7 therefore should be considered to contain additional obligations on Supplier. Notwithstanding anything to the contrary in this Schedule:
 - 1.7.1 While Supplier requires support and collaboration from Customer to deliver the transformation activities, delivery of the commitments agreed to elsewhere in this Agreement (including the Service Levels, Cost Savings commitments, or the Charges), are not conditional or contingent on the implementation or successful outcome of the transformation activities set forth in this Schedule 7;
 - 1.7.2 In the event of any conflict between this Schedule and any other part of this Agreement, that other part will prevail unless waived by Customer in writing by reference to the conflicting provision.
 - 1.7.3 No transformation activity or deliverable is permitted unless approved by Customer; and
 - 1.7.4 While Customer is under no obligation to approve any proposal, activity or deliverable (including those set out in Appendix 1), Customer shall ensure timely

response to approve or provide reasonable grounds to reject any such aforesaid proposal, activity or deliverables.

2. PURPOSE OF TRANSFORMATION

The purposes of Transformation are set out below and will be driven by the Key Activities and Deliverables as set out in Paragraph 2 of this schedule.

2.1 Drive efficiencies for source-to-contract delivery, which will support Supplier's ability to reduce the Supplier team and charges profile over the contract term, including:

2.1.1 Process improvements and optimization by

reviewing processes including current pain points to recommend more agile and efficient processes, using industry benchmark practices, deploying ready to use tools and templates etc.

2.1.2 Elimination of non- value-added activities by

identifying non-value-added activities conducted by the Supplier and Customer teams and providing recommendations to eliminate those from the processes.

2.1.3 Increasing efficiency through automation by

defining the future-state procurement technology landscape, process automation recommendations and implementation plans to drive efficiency through buying channel optimisation, demand intake and triage, and via automation such as: Auto Bid, Robotic Process Automation, AI Based Analytics and Predictive modelling.

2.2 Deliver Savings value, which will also support the savings committed by Supplier in Schedule 3 (Service Levels). The transformation will support the savings delivery including:

2.2.1 Access to category expertise & market intelligence

2.2.2 Access to market insights, enhanced demand and category management practices for the Tactical spend scope, expanded supplier database and benchmarks

2.2.3 Deploying a best practice tail spend management approach (supplier rationalisation, tactical sourcing pipeline development/opportunity identification, buying channel optimisation, tactical spend management best practice, demand prediction) as described in Schedule 2 (Services)

2.2.4 Improving speed to savings or speed to market (accelerated cycle times, process simplification, new and alternative buying channels)

2.3 Support the development of the GLOBAL PROCUREMENT OPERATIONS model, including:

2.3.1 Working in close collaboration with the Customer GLOBAL PROCUREMENT OPERATIONS team

2.3.2 Providing insights and recommendations to the GLOBAL PROCUREMENT OPERATIONS team on how to drive adoption in GLOBAL PROCUREMENT OPERATIONS model of delivery, and how to improve compliance to preferred buying channels

2.3.3 Bringing digital innovation ideas to the Customer GLOBAL PROCUREMENT OPERATIONS team

2.3.4 Providing inputs on procurement policies

2.3.5 Bringing persona-based analysis to determine potential improvements to compliance

3. KEY ACTIVITIES AND DELIVERABLES

3.1 Following are the key activities and deliverables under Transformation which may begin during Transition.

3.2 Customer and Supplier will jointly govern the activities in transformation to review plans, approve proposals, allocate responsibilities, and remove roadblocks. Customer should ensure that this governance includes a representative from the GLOBAL PROCUREMENT OPERATIONS to ensure the transformation activities are consistent with the GLOBAL PROCUREMENT OPERATIONS vision.

3.3 Supplier will develop a rolling transformation plan, covering the activities, deliverables and to set out the target outcomes (which will be measurable and can be demonstrable) for the transformation in such years. The transformation plan shall be presented and reviewed with Customer prior to December each year, and Customer / Supplier will agree on the plan and target outcomes for the calendar year to commence in January. Supplier will review the transformation plans with Customer on a quarterly basis, with this cycle of quarterly review continuing through the contract term.

3.4 Supplier will develop a detailed list of transformation activities and will evaluate the benefits and ease of implementation of each item to support the delivery of the transformation plan. Supplier will bring these to the joint governance committee in the form of a clear activity plan for decision-making on which items to implement, when to implement, and the respective resources and responsibilities needed to deliver these activities. Supplier will then deliver reporting and drive reviews on progress and value outcomes in the joint governance.

3.5 The initial list of potential transformation activities is laid out in Appendix 1. It is envisaged that this list will be broadly appropriate for the first two years of the engagement and will be appropriately developed from there as part of the transformation plan development. This will be refined over time and brought to the appropriate joint governance committee for decisions on direction and management. The initial activities fit into three main groups and are set out below:

3.5.1 Process – including changes to processes, and better use of processes through continuous improvement

3.5.2 People – including impacts on stakeholders and people capabilities brought by Supplier to support change management

3.5.3 Tools – including use of technology and data to drive transformation

3.6 The activities in the Transformation Plan will not be interpreted as adding additional delivery commitments to those Supplier has already agreed elsewhere in the Agreement unless otherwise agreed via the Change Control Procedure.

4. SUPPLIER ROLES AND RESPONSIBILITIES

4.1 Supplier, with the cooperation and reasonable assistance of Customer, has responsibility for:

- 4.1.1 Assessing current state processes, policies and developing targeted recommendations for driving performance improvements through transformed, streamlined, and automated processes, (e.g., future state process maps, automation opportunity lists);
- 4.1.2 Reviewing the current procurement and organisation policies and developing targeted recommendations for policy improvement to adopt an efficient transformed model;
- 4.1.3 Establishing a summarized overview of all process improvement and automation recommendations and a defined vision of the future-state business processes, including new processes, automation initiatives.

4.2 The Supplier will implement and/or perform the following management activities related to the Transformation Phase:

- 4.2.1 Tracking and assessing deliverables for the Transformation Services and recommend the appropriate Customer's signoffs for the applicable deliverables;
- 4.2.2 Identifying issues and risks related to the Transformation Services and developing action plans to address/resolve, along with appropriate escalation as needed;
- 4.2.3 Managing action plans for resolution;
- 4.2.4 Establishing and conducting regular status reporting; and
- 4.2.5 Overseeing the performance of the Transformation Services, as necessary or required.

5. CUSTOMER ROLES AND RESPONSIBILITIES

5.1 Customer, with the cooperation and reasonable assistance of the Supplier, shall implement the following where that is required for Supplier to implement a transformation activity that has been approved by Customer, and such cooperation and assistance has been agreed by Customer in the detailed transformation plan approved by Customer, which might include:

- 5.1.1 Establishing a Customer program point of contact to enable Customer team to interface with the Supplier, and facilitate allocation of Customer resources, completion of tasks and deliverables, and resolution of issues;
- 5.1.2 Providing timely and reasonable efforts to drive the change management required to implement those Supplier recommendations accepted by Customer;
- 5.1.3 Participating in tasks to leverage the use of technology for the automation of processes;

- 5.1.4 Utilizing and participating in the escalation processes defined in 'Schedule 9 Governance' of the Agreement to address issues that may arise during the provision of the Transformation Services;
- 5.1.5 Highlighting known business issues that may impact successful adoption of transformation recommendations;
- 5.1.6 Providing necessary reviews and approvals in a timely manner to ensure successful adoption of Supplier's recommendations;
- 5.1.7 Providing access to all Customer's systems as per the terms under Schedule 12 necessary for Supplier to complete the transformation services;
- 5.1.8 Providing access to sufficiently qualified Customer resources identified by Supplier to support execution of the activities set out in this schedule.

Appendix 1

Key Transformation Activities and Deliverables

Key Area	Key Activities/Objectives	Key Deliverables	Outcomes/Benefits	Customer Action Needed
<p>PROCESS</p> <p>Proactive tail spend management</p>	<p>Analysis of spend data and identification of opportunities to implement catalogs with preferred suppliers and avoid maverick spend; develop a customized p-card program for the fragmented Customer markets in the Asia</p> <p>Implement supplier base rationalization tactics (best in the category, top spend approach, quality/delivery thresholds among others)</p>	<p>Develop a list of tail spend rationalization strategies to drive efficiency and incremental cost savings</p>	<p>Cycle time reduction</p> <p>Capacity improvement</p> <p>Increase potential for cost savings</p>	<p>Provide the required data for the opportunity identification</p> <p>Provide support for the implementation of various tail spend management initiatives</p>
<p>PROCESS</p> <p>Improve processes and policies</p>	<p>Simplify procurement processes – improve PO compliance</p> <p>Leverage playbooks, SOPs, RFx templates, clause libraries/contract templates, category cards to accelerate processes and enhance customer experience</p>	<p>Develop revised process flows</p> <p>Provide list of non-value-added activities to be eliminated</p>	<p>Improvement in resource efficiency and effectiveness</p> <p>Cycle time reduction</p> <p>Improved compliance</p>	<p>Provide required data/information for the evaluation, along with time from the stakeholders</p> <p>Provide process challenges and any past process benchmarking completed</p> <p>Support in adoption of the revised processes and policies</p> <p>Approval of reasonable elimination of low value activities as this is required</p>

	Recommend controls to avoid non-catalog buying and ensure compliance			for Supplier to deliver the headcount and fee efficiencies
PROCESS Identify opportunities for buying channel optimization	<p>Evaluate and re-define the "rules" of sourcing across various spend thresholds, categories, regions</p> <p>Evaluation of buying channels based on key value levers</p> <p>Train end-users to improve user adoption of preferred channels</p>	Revised sourcing process flow and develop recommendations on policy improvements	<p>Better compliance to procurement policies</p> <p>Reduced manual effort</p> <p>Improved stakeholder satisfaction</p>	<p>Provide required data/information for the evaluation</p> <p>Support in adoption of the revised processes and policies</p> <p>Approval of reasonable process improvements as this is required for Supplier to deliver the headcount and fee efficiencies</p> <p>Action to increase compliance through communications, change management, etc</p>
PROCESS Identify preferred suppliers	<p>Evaluate the existing supplier base to identify strategic partners</p> <p>Develop contracting templates, approved rate cards and other contractual terms for minimum TCO</p>	Develop recommended framework for the preferred supplier program	<p>Manual effort reduction on the tactical spend</p> <p>Reduction in Turnaround Time</p>	<p>Support in stakeholder discussions to finalize the preferred supplier list</p> <p>Action to drive adoption of the Preferred Supplier list through communications, change management, etc</p> <p>Advise on or source preferred suppliers where outside Supplier scope</p>

<p>PEOPLE</p> <p>Identify opportunities for more spend through "self-help" channels</p>	<p>Enhanced partnership between the business and procurement to manage spend – drive "self-help", using a human centric approach based on user personas</p> <p>Evaluate and re-define the "rules" of sourcing across various spend thresholds, categories, regions</p> <p>Standardize contractual clauses for POs below pre-defined spend thresholds</p> <p>Review and define the organization approval matrix</p>	<p>Compliance reporting and guidance on change management strategies to improve compliance for Customer to action</p> <p>Recommend policy revisions for spend to be managed by end users</p>	<p>Procurement volume optimization across tactical spend</p> <p>Cycle time reduction</p>	<p>Support gathering of information on user personas and groups</p> <p>Action to approve and drive adoption of the policy changes through communications, change management, etc</p>
<p>PEOPLE</p> <p>Increase eRFx and eAuction adoption</p>	<p>Drive higher adoption of eRFx and eAuction on existing Customer technology by leveraging Supplier's infrastructure</p>	<p>List of initiatives with potential to use eRFx and eAuctions</p>	<p>Reduction in Turnaround time</p> <p>Improved potential for cost savings</p>	<p>Collaborate with the Supplier team to identify eRFx and eAuction opportunities</p> <p>Drive adoption of eRFx and eAuctions through communications, change management, etc</p>
<p>PEOPLE</p> <p>Provide actionable insights in the sourcing process</p>	<p>Leverage Supplier's MI COE team and provide MI reports</p>	<p>8-10 MI reports</p>	<p>Better understanding of market trends, sourcing levers, and negotiation strategies, resulting in</p>	<p>Identify appropriate areas for MI and provide guidance to Supplier</p>

through Intelligence	Market	to provide market insights in the sourcing process		improved potential for cost savings	Collaborate with Supplier for effective use of MI reports
TOOLS Leverage enablers	digital	<p>Leverage Supplier's Digital COE to identify potential efficiency and effectiveness drivers</p> <p>Leverage digital accelerators such as RPAs, Knowledge Management Tool, Auto-Bid and Bid Optimizer, Predictive Modelling, and Root Cause Analysis</p>	<p>Identify digital accelerators and make recommendations for implementation with roadmap</p> <p>Initial intention in year 1: RPA identification and implementation; leverage knowledge management tool</p> <p>Initial intention in year 2: leverage bid optimizer and auto bid</p> <p>Initial intention for year 3: leverage root cause analysis and process mining</p>	<p>Improvement in resource efficiency and effectiveness</p> <p>Cycle time reduction</p> <p>Increase of compliance</p> <p>Improvement in stakeholder satisfaction</p> <p>Improved potential for cost savings</p>	<p>Provide Supplier team with the necessary data and tools access for opportunity identification</p> <p>Support in implementation as required depending on the digital accelerator</p> <p>Provision of access to Supplier for existing and future relevant Customer tools and processes</p>

Forum / Meetings (Transition)	Participants	Key Agenda Items	Outputs	Frequency
Weekly Operational Governance	<p>Customer:</p> <ul style="list-style-type: none"> • AP GLOBAL PROCUREMENT OPERATIONS Manager • AP GLOBAL PROCUREMENT OPERATIONS Delivery Lead <p>Supplier:</p> <ul style="list-style-type: none"> • Delivery Center Lead(s) / Equivalent 	<ul style="list-style-type: none"> • Weekly service report • Review of progress for key initiatives and bottlenecks • Customer satisfaction report • Review of operational issues, risks, mitigation plans, corrective actions, process change updates • Review of capacity and availability issues 	<ul style="list-style-type: none"> • Service level report and action plan • Issues and updates for the Steering Committee meetings • Service decisions • Meeting minutes and action items 	Weekly

	<ul style="list-style-type: none"> • Key Team Members 			
Monthly Service Committee	<p>Customer:</p> <ul style="list-style-type: none"> • Procurement Head (IMS/TP) • AP GLOBAL PROCUREMENT OPERATIONS Manager • AP GLOBAL PROCUREMENT OPERATIONS Delivery Lead <p>Supplier:</p> <ul style="list-style-type: none"> • Program Lead • Delivery Center Lead(s) / Equivalent 	<ul style="list-style-type: none"> • Monthly service report • Strategy, business, and actions from the previous meetings • Performance scorecard and dashboards review (including Service Level performance, and Savings delivery progress) • Review transformation delivery progress, business case achievement; monthly business report, savings pipeline, customer satisfaction report; relationship alignment, risk, and compliance • Escalated issues, decisions, actions, issues to be escalated to Executive Sponsor Review Board. 	<ul style="list-style-type: none"> • Issues and updates for the Quarterly/Annual Business Reviews • Identification of improvement areas for SLA performance and action plans • Monthly reports, dashboards and scorecards identified in Appendix 2 • Minutes and action items from the meeting 	Monthly
Quarterly Business Reviews	<p>Customer:</p> <ul style="list-style-type: none"> • Global Program Manager/Team • Procurement Head (IMS/TP) • AP GLOBAL PROCUREMENT OPERATIONS Manager • AP GLOBAL PROCUREMENT OPERATIONS Delivery Lead • Global Procurement Category Lead/Equivalent <p>Supplier:</p>	<ul style="list-style-type: none"> • Savings delivery and spend / savings pipeline review • Forecast tracking and amendments (including the 'trend' on volumetrics for AUC/RUC) • Contract change management items • Review and resolution of commercial issues e.g., payments • Identification/tracking of transformation deliverables, strategic initiatives and continuous improvement initiatives 	<ul style="list-style-type: none"> • Savings delivery performance and savings pipeline forecast • Agreed changes to services scope / volumes • Transformation plan and innovations pipeline 	Quarterly

	<ul style="list-style-type: none"> • Client Executive • Program Lead / Transformation Lead • Delivery Center Lead(s) / Equivalent 	<ul style="list-style-type: none"> • Key business partnering needs • Deployment of GLOBAL PROCUREMENT OPERATIONS Strategy and Control Tower • Innovation opportunities • Supplier performance review from business as a part of SRM 		
Annual Business Review (Executive Sponsor Review Board)	<p>Customer:</p> <ul style="list-style-type: none"> • Global Program Manager/Team • Procurement Head (IMS/TP) • AP GLOBAL PROCUREMENT OPERATIONS Manager • AP GLOBAL PROCUREMENT OPERATIONS Delivery Lead • Global Procurement Category Lead/Equivalent <p>Supplier:</p> <ul style="list-style-type: none"> • Client Executive • Program Lead • Delivery Center Leads / Equivalent 	<ul style="list-style-type: none"> • Service improvement initiatives and benefits • Security items, service risk and audit reports / dashboards / scorecards • Strategic roadmap of services and scope, including transformation plans & achievements • Annual performance scorecard review and action plan to address issues • Annual review of the service charges, volume adjustments and billing forecast outlook • Annual review & validation of savings performance against the service levels for the Calendar Year and savings pipeline for the next Calendar Year • Business updates from both the Customer and the Supplier • Decisions and issues escalated from other governance forums • Action items from the previous meeting 	<ul style="list-style-type: none"> • Agreed changes to service scope and service charges (incl service credits, savings bonus & malus) • Validate strategic plans and direction for next year • Minutes and action items from the meeting 	Annually

Appendix 2
Reports, dashboards and scorecards

The Supplier shall provide the reports, dashboards and scorecards to the Customer as part of governance in accordance with this Appendix 2.

Frequency	Description of reports, dashboards and/ scorecards
Daily	Customer's requirements on scope of work or as reasonably requested. Supplier and Customer shall agree during the Transition phase on the type of reports, dashboards and scorecards required on a daily basis
Weekly	<ul style="list-style-type: none"> • Service reports, dashboards and scorecards • Customer satisfaction levels • Key escalations and corrective action plans • Operational issues and current status
Monthly	<ul style="list-style-type: none"> • Monthly SLA performance • Savings delivery performance and spend / savings pipeline • Volume trends against forecasts • Root cause analysis, corrective actions for significant deviations • Changes to staffing levels • Recommendations from service managers
Business reports, dashboards and scorecards	<p>Management Reporting:</p> <ul style="list-style-type: none"> • Key recommendations for the Management • Business wise reporting on issues, service availability, capacity, SLA • Operating cost reporting <p>Management Dashboards: Real-time reports, dashboards and scorecards for process overview by Region/Country/Market</p> <p>Reports, dashboards and scorecards on Service Delivery performance for governance review meetings or as needed</p> <p>Reports, dashboards and scorecards on Transformation Delivery performance for governance review meetings or as needed</p> <p>Dashboards shall be always available and refreshed regularly (rate to be as specified by Customer during Transition)</p>

Schedule 8

PERSONAL

DATA

1. Definitions

The terms defined below shall have the meaning given to them, but only for the purposes of this Exhibit.

“Affiliate” means an entity that, either directly or indirectly, controls, is controlled by, or is under common control with, the relevant entity, where “control” means the ability to direct the affairs of another by ownership, contract or otherwise.

“Agreement” means the Agreement to which this Exhibit is appended.

“Customer” means the member of the Customer Group that is a party to the Agreement.

“Customer Group” means the Customer and all its Affiliates (and “member of the Customer Group” shall be construed accordingly).

“Customer Personal Data” means Personal Data that either: (i) the Customer, or a person acting on its behalf, provides to the Supplier, or permits the Supplier to access, in connection with the Agreement; or (ii) the Supplier creates in providing the Services.

“Data Breach” means any breach of security leading to the accidental or unlawful destruction, damage, loss, alteration, unauthorized disclosure of, or access to, Customer Personal Data transmitted, stored or otherwise Processed.

“Data Controller” means a person who, alone or jointly with others, determines the purposes and means of the Processing of Personal Data.

“Data Processor” means a person who Processes Personal Data on behalf of a Data Controller.

“Data Subject” means an identified or identifiable individual. An “identifiable” individual is one who can be identified, directly or indirectly, including by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to his physical, physiological, genetic, mental, economic, cultural or social identity.

“Personal Data” means any information relating to a Data Subject.

to **“Process”** (and variants of it, such as “Processing”) means to perform any operation or set of operations upon data, whether or not by automatic means, such as collecting, recording, organising, storing, adapting or altering, retrieving, consulting, using, disclosing (by transmission, dissemination or otherwise making available), aligning or combining, blocking, erasing or destroying.

“Services” means the services to be provided under the Agreement.

“Supplier” means the party to the Agreement that is not a member of the Customer Group.

2. Data Protection

2.1 Appointment: The Customer appoints the Supplier as its Data Processor. The Supplier shall

Process Customer Personal Data only: (i) on behalf of the Customer; (ii) to provide the Services; (iii) so far as necessary to provide the Services; (iv) in accordance with the Customer's reasonable and documented instructions from time to time; and (v) in compliance with all applicable data protection law. For the avoidance of doubt, these terms shall not exempt the Supplier from complying with obligations to which the Supplier is subject pursuant to applicable data protection laws.

2.2 Subprocessors: The Supplier has the Customer's general authorization for the engagement of sub-Processor(s). The Supplier shall inform the Customer in writing of any addition or replacement of sub-Processors at least 14 days in advance, thereby giving the Customer sufficient time and relevant information to be able to object to such changes prior to the engagement of the sub-Processor(s). The Supplier shall appoint any sub-Processor in writing on terms that provide equivalent protections to those set out in this Exhibit (including any technical and organizational measures). The Supplier shall remain fully liable to the Customer for any acts or omissions of its sub-Processors.

2.3 Data Transfers: The Supplier may not Process Customer Personal Data outside the Customer's jurisdiction unless it has first: (i) obtained the Customer's prior written consent; and (ii) agreed with the Customer, and put in place, the measures which are necessary to ensure the transfer is in compliance with applicable data protection law.

2.4 Assistance to the Customer: The Supplier shall, upon the Customer's request, assist the Customer to assess the impact of the Processing on the protection of Customer Personal Data, including by providing:

(i) a systematic description of the way that Customer Personal Data is Processed; (ii) a description of the measures it has implemented to protect Customer Personal Data and to assist the Customer in responding to Data Subject requests; (iii) an assessment (in the form of a Data Protection Impact Assessment), of the specific risks, of which the Supplier is aware, to the rights and freedoms of Data Subjects arising out of or in connection with the Supplier's Processing; and (iv) prompt notification to the Customer if it receives any communication from any data protection authority which relates to the Processing of Customer Personal Data, or to either party's compliance with data protection law, and assist the Customer in responding to any such communication. The Supplier shall also assist the Customer as reasonably requested in cases where the Customer decides to carry out a prior consultation with the relevant data protection authority.

2.5 Audit: The Supplier shall make available to the Customer all information necessary to demonstrate compliance with this Exhibit and applicable data protection law and allow for and contribute to audits (including inspections) of that compliance, conducted (upon reasonable notice and within normal business hours) by the Customer or another auditor mandated by the Customer.

2.6 Return of Customer Personal Data: Within 14 days of the expiry (or termination) of the Agreement, the Supplier shall (at the Customer's election) destroy or return to the Customer all Customer Personal Data in its possession or control. As part of the termination process, Supplier will provide all data to the Customer in a mutually agreed format -.

2.7 Data Subjects: The Supplier shall, if it receives any communication from any person with respect to its Processing of Customer Personal Data (including Data Subjects or data protection authorities): (i) notify the Customer within 1 business day of receiving it; (ii)

provide any assistance reasonably required by the Customer to enable the Customer to respond to it; and (iii) not respond directly to it without the Customer's written permission.

- 2.8 **Assistance with Security Events:** The Supplier shall assist the Customer with any Data Breach and any suspected or threatened Data Breach (each, a "**Security Event**") by: (i) notifying the Customer within 24 hours of becoming aware of the Security Event at soc@pmi.com (or other address notified by the Customer in writing from time to time); (ii) providing the Customer with all relevant information and documentation in its knowledge, possession or control concerning the Security Event; and (iii) co-operating with the Customer and taking such steps as the Customer may reasonably require to assist in investigating, mitigating, and remediating any Security Event, including making any relevant notifications. The obligations set out above are without prejudice to any breach reporting obligations set out in this Agreement (including any documents incorporated by reference).
- 2.9 **Security:** The Supplier shall implement and maintain appropriate technical and organisational measures necessary to protect the Customer Personal Data from accidental or unlawful destruction, damage, loss, alteration, unauthorised disclosure or access, including the measures set out in this Agreement or if no such measures are set out as set out in the Customer's third party information security schedule (which is hereby incorporated by reference) available at <https://www.pmi.com/legal/legal-documents> (as varied or replaced from time to time) and (without prejudice to the generality of the foregoing), as required by applicable data protection law. The Supplier shall ensure that any person authorised to Process Customer Personal Data is bound by contractual obligations of confidentiality.
- 2.10 **Duty of Confidentiality:** The Supplier shall ensure that any natural person acting under its authority who has access to the Customer Personal Data: (a) has undergone training in the law and practice of data protection; and (b) is committed to confidentiality obligations or is subject to an appropriate statutory obligation of confidentiality.
- 2.11 **General Restrictions:** The Supplier shall not: (i) process more than the minimum amount of Customer Personal Data necessary to perform the Services for the Customer under the Agreement; (ii) afford access to the Customer Personal Data beyond those having a "need-to-know"; (iii) duplicate or incorporate Customer Personal Data into their own records or databases except for the purpose of performing the Services for the Customer under the Agreement; (iv) have any right to process Customer Personal Data for their own commercial benefit in any form, including, without limitation, to create de-identified or anonymized data; or (v) disclose, release or transfer Customer Personal Data to any third party or business except as necessary to perform the Services for the Customer under this Agreement or as specifically directed by the Customer in writing.

Data Transfer Agreement
Exhibit Cover Sheet

1. The Parties	Data Exporter:	Customer	Data Importer:	Supplier
2. Master Agreement	The Master Service Agreement] agreement entered into between the Data Exporter and the Data Importer ("Parties") on [March 28, 2022 (the "Master Agreement").			
3. Applicable Member State/ UK or Switzerland and Competent Supervisory Authority	[Refer to the country and the governing law of the Master Agreement provided they are European, UK or Swiss.]The laws of Switzerland.			
4. Description of Transfer	As specified in the Master Agreement. The Supplier will manage Customer contracted accounts. Supplier will have access to all generic from Costumers employees (names, positions, organizational set up) and systems that provide information on suppliers of the Customer (name, address, spend, etc.).			
5. Categories of Data Subjects	As specified in the Master Agreement or as follows: <input type="checkbox"/> Candidates <input checked="" type="checkbox"/> Employees <input type="checkbox"/> Former Employees <input type="checkbox"/> Families of Employees <input type="checkbox"/> Consumers <input type="checkbox"/> Prospective consumers <input type="checkbox"/> Pensioners <input checked="" type="checkbox"/> Contractors <input checked="" type="checkbox"/> Suppliers <input type="checkbox"/> Shareholders <input checked="" type="checkbox"/> Stakeholders <input type="checkbox"/> Other: Prospective suppliers			
6. Categories of Personal Data Transferred	As specified in the Master Agreement or as follows: <input checked="" type="checkbox"/> Basic Contact <input type="checkbox"/> Financial/Payment <input type="checkbox"/> Employment related <input type="checkbox"/> Health/Medical <input type="checkbox"/> Behavioral/Usage <input type="checkbox"/> Social Media <input type="checkbox"/> Genetic/Biometric <input type="checkbox"/> Demographic (e.g., racial/ethnic, religious, household) <input type="checkbox"/> Preferences <input type="checkbox"/> Location <input type="checkbox"/> Other: [Provide details]			
7. Special Category Data Transferred	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
8. Frequency of Transfer	<input checked="" type="checkbox"/> Daily <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Annual <input type="checkbox"/> One-time <input type="checkbox"/> Other: []			

9. Purpose of the Data Transfer and Further Processing	As specified in the Master Agreement or as follows: The Purpose of the Data Transfer will be to assist the Procurement department in executing tenders and supporting other procurement activities
10. Period of Data Retention	The contract term of the Master Agreement or as otherwise specified in the Incorporated Terms
11. Transfers to Subprocessors	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
12. Technical Measures	As specified in the Master Agreement and as supplemented by the Attachment to this Exhibit Cover Sheet.

The Parties agree to enter into a contract comprising this Exhibit Cover Sheet, the Attachment to the Exhibit Cover Sheet, the Exhibit Terms and the UK Appendix that immediately follow this Exhibit Cover Sheet and the Standard Contractual Clauses as defined in the Exhibit Terms (together the “[Data Transfer Agreement](#)”).

Data Exporter:		Data Importer:	
By: _____	By: _____	By: _____	By: _____
By: _____			
Name: _____	Name: _____	Name: _____	Name: _____
_____	Name: _____	_____	
Title: _____	Title: _____	Title: _____	Title: _____
Title: _____			
Date: _____	Date: _____	Date: _____	Date: _____
Date: _____			

Attachment to the Exhibit Cover Sheet

Technical Measures

The Data Importer shall:

- ☒ Have a defined, documented, and approved logical access control policy for managing access to information systems.
- ☒ Have a documented procedure for granting / revoking / modifying access privileges for employees and contractors.
- ☒ Have a segregation of duties between individuals who request, authorize, enable and verify access.
- ☒ Enforce a password management policy for access to all platforms, applications, and databases.
- ☒ Have a password management policy which includes password strength, password history, password resets, lockout attempts and inactivity lockouts.
- ☒ Encrypt the password files across all platforms (applications and databases).
- ☒ Have a privilege access provisioning and deprovisioning policy/procedure.
- ☒ Have a documented policy/procedure for managing encryption keys.
- ☒ Have an encryption mechanism for securing Data Exporter's data at rest and data in transit in your environment as well as in the cloud service provider environment.
- ☒ Encrypt removable media storage devices (e.g., pen drive, CD/DVD, USB portable devices, and back up tapes) used for storing Data Importer data.
- ☒ Have contract(s) with subcontractors or any other subprocessors of data which covers the standard requirements (e.g., data protection, NDA, confidentiality agreement, business continuity etc.).
- ☒ Have a documented third-party risk management policy and procedure to manage risk associated with your subcontractors.
- ☒ Have a process to review your subcontractor's performance and monitor security requirements defined as per contract and/or service level agreement.
- ☒ Review external assurance reports such as SOC 2 Type II, PCI DSS, ISO 27001/27017 etc. to monitor the effectiveness of the subcontractor information security controls.
- ☒ Have access for all staff (employees, contractors and visitors) controlled through the use of physical or biometric controls.
- ☒ Have a dedicated team which has access and is responsible for storing and monitoring access control logs using physical security monitoring devices.
- ☒ Have electronic alarms installed on all doors and/or windows to identify if they are being kept open for an extended duration.
- ☒ Have the perimeter of your facilities manned by security guards.
- ☒ Have a documented process for performing data backups.
- ☒ Have a disaster recovery plan in place.
- ☒ Ensure the disaster recovery plans are updated, reviewed, approved and physically tested at least annually or more frequently when significant operational changes are implemented.

- ☒ Have enabled logging on sever and/or network devices in accordance with security best practices to track user activity.
- ☒ Have capability to maintain an audit trail of important key events including:
 - Logon/logoff events
 - Changes to access rights (role definitions, allocation of roles)
 - Changes to audit log (configuration, deletion, etc.)
 - Any other key transactions.
- ☒ Encrypt emails that contains confidential, restricted, and private/protected Data Importer data before it leaves the organization.
- ☒ Have a hardening process and procedure to manage configuration of infrastructure, network, applications, and end user devices.
- ☒ Have a system hardening process and procedure to manage configuration of embedded control systems including operating system, network services and protocols, installed software, hardware and software interfaces, user accounts and user interfaces.
- ☒ Share system hardening configuration documentation of embedded control systems containing necessary configuration information with the Data Importer prior to acceptance tests.
- ☒ Share documentation affirming that configuration, service pack and security patches are pushed to all software used in embedded control systems.

Exhibit Terms

1. **Definitions.** Unless otherwise defined in this Data Transfer Agreement, capitalized terms have the same meaning as in the GDPR.

1.1. “Applicable Law” shall mean the law of the applicable Member State, Switzerland or UK as specified in the Exhibit Cover Sheet.

1.2. “Clauses” shall mean the SCC clauses.

1.3. The “GDPR” means 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, and repealing Directive 95/46/EC or the UK or Swiss equivalent legislation as applicable.

1.4. The “SCC” or “SCCs” means the Standard Contractual Clauses set out in the annex to Commission Implementing Decision (EU) 2021/914 of 4 June 2021 on standard contractual clauses for the transfer of personal data to third countries pursuant to Regulation (EU) 2016/679 of the European Parliament and of the Council.

2. **SCCs incorporated by reference.** The Parties agree to incorporate the SCCs (including where relevant the UK Appendix) by reference.
3. **Applicable Modules in the SCCs.** Based upon the relationship and status of the Data Exporter and Data Importer with regards to the Personal Data that may be transferred under this Exhibit and the SCCs, the SCCs must be read with the following module(s) in effect, and that all other modules below and in the SCCs shall be inoperative:

3.1. **Data Exporter as Controller and Data Importer as Controller.** Module 1 shall apply, and Modules 2 through 4 of the SCCs are inoperative.

3.1.1. For purposes of Clause 13(a) where:

3.1.1.1. the Data Exporter is established in an EU Member State: The supervisory authority with responsibility for ensuring compliance by the data exporter with the GDPR as regards the data transfer, as indicated in Annex I.C, shall act as competent supervisory authority; or

3.1.1.2. the Data Exporter is established in Switzerland: The FDPIC shall act as the competent supervisory authority with responsibility for ensuring compliance by the data exporter with Swiss law as regards the data transfer, as indicated in Annex I.C, shall act as competent supervisory authority.

3.1.2. For purposes of Clauses 14 through 16, the bracketed language shall not apply unless expressly pertaining to Module 1.

3.1.3. For purposes of Clauses 17 and 18, the Parties agree to OPTION 1 (for Clause 17) and, where required to specify the Member State in Clauses 17 and 18(b), select the law and courts as specified in Section 3 of the Cover Page to this Exhibit. The term ‘member state’ in clause 18(c) must not be interpreted in such a way as to exclude data subjects in Switzerland from the possibility of suing for their rights in their place of habitual residence (Switzerland).

3.2. **Data Exporter as Controller and Data Importer as Processor.** Module 2 shall apply, and Modules 1, 3, and 4 of the SCCs are inoperative. In addition:

3.2.1. For purposes of Clause 9(a), the Parties select “OPTION 2: GENERAL WRITTEN AUTHORISATION,” and Data Importer shall inform the Data Exporter in writing at least 7 days in advance of any intended changes to the agreed list referenced in OPTION 2 to Clause 9(a) and as specified in Section 11 of the Cover Page of this Exhibit. Data Exporter’s authorization shall be deemed given unless the Data Exporter objects to Data Importer within the allotted time period.

3.2.2. For purposes of Clause 13(a), where

3.2.2.1. the Data Exporter is established in an EU Member State: The supervisory authority with responsibility for ensuring compliance by the data exporter with the GDPR as regards the data transfer, as indicated in Annex I.C, shall act as competent supervisory authority; or

3.2.2.2. the Data Exporter is established in Switzerland: The FDPIC shall act as the competent supervisory authority with responsibility for ensuring compliance by the data exporter with Swiss law as regards the data transfer, as indicated in Annex I.C, shall act as competent supervisory authority.

3.2.3. For purposes of Clauses 14 through 16, the bracketed language shall not apply unless expressly pertaining to Module 2.

3.2.4. For purposes of Clauses 17 and 18, the Parties agree to OPTION 1 (for Clause 17) and, where required to specify the Member State in Clauses 17 and 18(b), select the law and courts as specified in Section 3 of the Cover Page to this Exhibit. The term 'member state' must not be interpreted in such a way as to exclude data subjects in Switzerland or the UK from the possibility of suing for their rights in their place of habitual residence (Switzerland) in accordance with Clause 18 c.

3.3. Data Exporter as Processor and Data Importer as Processor. Module 3 shall apply, and Modules 1, 2, and 4 of the SCCs are inoperative. In addition:

3.3.1. For purposes of Clause 9(a), the Parties select "OPTION 2: GENERAL WRITTEN AUTHORISATION," and Data Importer shall inform the Controller in writing seven (7) days in advance of any intended changes to the agreed list referenced in OPTION 2 to Clause 9(a) and as specified in Section 11 of the Cover Page of this Exhibit. The Data Exporter's authorization shall be deemed given unless the Data Exporter objects to Supplier within the allotted time period.

3.3.2. For purposes of Clause 13(a), where:

3.3.2.1. the Data Exporter is established in an EU Member State: The supervisory authority with responsibility for ensuring compliance by the data exporter with the GDPR as regards the data transfer, as indicated in Annex I.C, shall act as competent supervisory authority; or

3.3.2.2. the Data Exporter is established in Switzerland: The FDPIC shall act as the competent supervisory authority with responsibility for ensuring compliance by the data exporter with Swiss law as regards the data transfer, as indicated in Annex I.C, shall act as competent supervisory authority.

3.3.3. For purposes of Clauses 14 through 16, the bracketed language shall not apply unless expressly pertaining to Module 3 of the SCCs.

3.3.4. For purposes of Clauses 17 and 18, the Parties agree to OPTION 1 (for Clause 17) and, where required to specify the Member State in Clauses 17 and 18(b), select the law and courts as specified in Section 3 of the Cover Page to this Exhibit. The term 'member state' in Clause 18(c) must not be interpreted in such a way as to exclude data subjects in Switzerland or the UK from the possibility of suing for their rights in their place of habitual residence (Switzerland or the UK).

3.4. Data Exporter as Processor and Supplier/Data Importer as Controller. Module 4 shall apply, and Modules 1 through 3 are inoperative. In addition:

3.4.1. Clauses 14 and 15 will apply only to the extent the Data Exporter is collecting Personal Data in the European Economic Area, UK or Switzerland.

3.4.2. For purposes of Clauses 14 through 16, if applicable, the bracketed language shall not apply unless expressly pertaining to Module 4.

3.4.3. For purposes of Clauses 17 and 18, where required to specify the country, the Parties select the law and courts as specified on the Exhibit Cover Sheet.

4. **Inclusion of Docking Clause.** The Parties agree to include Clause 7.
5. **Annexes.** For purpose of Annex I, Annex II, and Annex III of the SCCs:

5.1. **Annex I: List of Parties, Description of Transfer, and Competent Supervisory Authority.** All as specified in the Exhibit Cover Sheet.

5.2. **Annex II: Technical and Organisational Measures Including Technical and Organisational Measures to Ensure the Security of the Data:** All as specified in the Exhibit Cover Sheet.

5.3. **Annex III: List of Sub-Processors.** As specified in the Exhibit Cover Sheet

Schedule 9

RELATIONSHIP MANAGEMENT AND GOVERNANCE

1. INTRODUCTION

The purpose of this Schedule is to set out the minimum requirements of the Governance framework which should institutionalize a structured, responsive partnership approach between the Customer and Supplier. The Governance framework shall ensure delivery efficiency, high service levels & scalability, Customer interface, compliance with Customer's policies and procedures and innovation. The Governance framework shall define the participants from both Parties, meeting agenda and frequencies of the Governance Bodies, reporting pattern and contract change management in alignment to the requirements set out by the Customer. Both Parties agree to fulfil the requirements in this Schedule and maintain an effective working relationship during the Term.

The Parties shall comply with the requirements in relation to the Governance framework during the Transition phase, as set out in Paragraph 3 of this Schedule.

2. GOVERNANCE FRAMEWORK

2.1 The Parties shall comply with the Governance Framework, during Transition.

2.2 The following streams will form part of Governance:

2.2.1 Compliance with Customer Policies

2.2.2 SLA & quality levels

2.2.3 Savings delivery

2.2.4 Operational efficiency

2.2.5 Innovation

2.2.6 Continuous Improvement

2.3 Governance will include weekly, monthly, quarterly and annual review meetings, aimed at managing the relationship and delivery performance (from transition to the on-going steady state). Topics for discussions for each review meeting is as outlined below:

2.3.1 **Weekly Operational Governance:** meetings to review Supplier's service reports / dashboards / scorecards and operational delivery

2.3.2 **Monthly Service Committee:** Supplier's monthly service report, SLA performance monitoring, review of corrective actions for key issues and escalations

2.3.3 **Quarterly Business Review:** Contract change management, SLA tracking/reporting, resolution of commercial issues, forecast tracking, identification and tracking of transformation deliverables, strategic initiatives and continuous improvement initiatives

2.3.4 **Annual Business Review:** Business updates relevant to the Supplier and Customer, service improvement initiatives/benefits, strategic roadmap of services and scope (including the Transformation Plan), security items, and the annual review of the service charges, volume adjustments and cost savings performance (bonus/malus),

together with the Transition Governance meetings, together the "**Governance Bodies**".

The participants, agenda, and output of the governance meetings are detailed in the Appendix 1 of this Schedule.

3. TRANSITION GOVERNANCE FRAMEWORK

- 3.1 The Transition Governance process shall commence from the Transition Start Date until conclusion of Transition to ensure successful transition of the Services to operational status.
- 3.2 Transition Governance meetings shall be conducted on a bi-weekly basis and the following topics shall be discussed: approval of the detailed operating model, new process, new frameworks that will be implemented to support the delivery of the service.
- 3.3 Attendees at meetings of the Governance Bodies may include the following from both the Parties:
 - 3.3.1 **CUSTOMER** – Global Program Manager, Procurement Head (IMS/TP), PROCUREMENT OPERATIONS Manager, PROCUREMENT OPERATIONS Delivery Lead, Transition Manager
 - 3.3.2 **SUPPLIER** – Program Lead, Transition Lead, Key Delivery Leads/Team members.
- 3.4 During Transition Governance meetings, the Supplier shall:
 - 3.4.1 share the status of the Transition Services activities, including as against acceptance criteria;
 - 3.4.2 update the progress of the work being performed in relation to Transition Deliverables, Milestones, and activities set out in the Transition Plan;
 - 3.4.3 highlight actual and anticipated delays to Transition Services, Deliverables and/or the achievement of any Milestone; and
 - 3.4.4 discuss major actual and anticipated issues and risks, their likely impact on Transition Services, Deliverables and/or achievement of any Milestone and corresponding mitigation plans.

4. GOVERNANCE FRAMEWORK REPORTING

- 4.1 The Supplier shall provide the reports, dashboards and scorecards identified in Appendix 2 to the Customer as part of Governance according to the timeframes set out below, together with such other reports as reasonably requested by the Customer. The Supplier shall also share with the Customer the data and supporting information used to create the reports, dashboards and scorecards identified in Appendix 2, as and when demanded by the Customer.
- 4.2 Both the parties shall mutually agree on the format, frequency and expected automation for delivery of such reports, dashboards and scorecards to the Customer, provided that Supplier shall at all times comply with the minimum requirements in this Schedule.
- 4.3 Where the Customer's input or content is reasonably required by Supplier to create a report, the Customer will, subject to receiving reasonable notice of such requirement from the Supplier, provide this in a timely manner so that the Supplier may complete the report on time.

- 4.4 The Supplier acknowledges that the Customer, at any point of time during the contract (acting reasonably), will have the flexibility to change any of the reports, dashboards and scorecards identified in Appendix 2 , at a minimum notice of five (5) days to the Supplier.

5. ESCALATION PROCEDURE

- 5.1 The Party seeking resolution of a matter of dissatisfaction shall deliver e-mail or other written notice to the other Party setting out the nature of the dissatisfaction and any claim of deficient performance in sufficient detail to permit reasonable investigation and response.
- 5.2 The Parties shall be pro-active and act in good faith to achieve a resolution of the relevant issue within 5 (five) Business Days of the date of commencing each stage in Paragraph 5.5 below unless the Parties have agreed an alternative resolution period.
- 5.3 Similarly, the Parties may not escalate the issue to any higher stage unless they have allowed the contact (or committee) at the previous stage a minimum of 5 (five) Business Days to resolve the issue.
- 5.4 In exceptional circumstances, the Parties agree to call special meetings (e.g. by telephone conference or video conference) of the relevant committees to resolve issues.
- 5.5 Issues shall be escalated, by either Party, in the following stages:
- 5.5.1 for operational aspects, raise the issue with the other Party's relevant appointed representative Delivery Lead/Equivalent; and then
 - 5.5.2 for Transition related issues raise with the other Party's Transition Lead; and then
 - 5.5.3 if the issue remains unresolved following Paragraphs 5.5.1 or 5.5.2, raise the issue with the Supplier Program Lead and Customer Global Program Manager; and then
 - 5.5.4 if the issue remains unresolved following escalation to the Program Leads in accordance with Paragraph 5.5.3, raise the issue with Supplier Client Executive and Customer Procurement Head (IMS/TP); and then
 - 5.5.5 if the issue remains unresolved following escalation in accordance with Paragraph 5.5.4 raise the issue with the Executive Sponsor; and then
 - 5.5.6 the Executive Sponsor may agree to call experts or refer the issue to be resolved in accordance with the Mediation procedure set out in Section 39.2 of the Agreement.

Appendix 1

Joint Governance Structure

Forum / Meetings	Participants	Key Agenda Items	Outputs	Frequency
Weekly Operational Governance	Customer: <ul style="list-style-type: none"> • PROCUREMENT OPERATIONS Manager • PROCUREMENT OPERATIONS Delivery Lead Supplier: <ul style="list-style-type: none"> • Delivery Center Lead(s) / Equivalent • Key Team Members 	<ul style="list-style-type: none"> • Weekly service report • Review of progress for key initiatives and bottlenecks • Customer satisfaction report • Review of operational issues, risks, mitigation plans, corrective actions, process change updates • Review of capacity and availability issues 	<ul style="list-style-type: none"> • Service level report and action plan • Issues and updates for the Steering Committee meetings • Service decisions • Meeting minutes and action items 	Weekly
Monthly Service Committee	Customer: <ul style="list-style-type: none"> • Procurement Head (IMS/TP) • PROCUREMENT OPERATIONS Manager • PROCUREMENT OPERATIONS Delivery Lead Supplier: <ul style="list-style-type: none"> • Program Lead • Delivery Center Lead(s) / Equivalent 	<ul style="list-style-type: none"> • Monthly service report • Strategy, business, and actions from the previous meetings • Performance scorecard and dashboards review (including Service Level performance, and Savings delivery progress) • Review transformation delivery progress, business case achievement; monthly business report, savings pipeline, customer satisfaction report; relationship alignment, risk, and compliance • Escalated issues, decisions, actions, issues to be escalated to Executive Sponsor Review Board. 	<ul style="list-style-type: none"> • Issues and updates for the Quarterly/Annual Business Reviews • Identification of improvement areas for SLA performance and action plans • Monthly reports, dashboards and scorecards identified in Appendix 2 • Minutes and action items from the meeting 	Monthly

Forum / Meetings	Participants	Key Agenda Items	Outputs	Frequency
Quarterly Business Reviews	Customer: <ul style="list-style-type: none"> Global Program Manager/Team Procurement Head (IMS/TP) PROCUREMENT OPERATIONS Manager PROCUREMENT OPERATIONS Delivery Lead Global Procurement Category Lead/Equivalent Supplier: <ul style="list-style-type: none"> Client Executive Program Lead / Transformation Lead Delivery Center Lead(s) / Equivalent 	<ul style="list-style-type: none"> Savings delivery and spend / savings pipeline review Forecast tracking and amendments (including the 'trend' on volumetrics for AUC/RUC) Contract change management items Review and resolution of commercial issues e.g., payments Identification/tracking of transformation deliverables, strategic initiatives and continuous improvement initiatives Key business partnering needs Deployment of Global PROCUREMENT OPERATIONS Strategy and Control Tower Innovation opportunities Supplier performance review from business as a part of SRM 	<ul style="list-style-type: none"> Savings delivery performance and savings pipeline forecast Agreed changes to services scope / volumes Transformation plan and innovations pipeline 	Quarterly
Annual Business Review (Executive Sponsor Review Board)	Customer: <ul style="list-style-type: none"> Global Program Manager/Team Procurement Head (IMS/TP) PROCUREMENT OPERATIONS Manager PROCUREMENT OPERATIONS Delivery Lead Global Procurement Category Lead/Equivalent 	<ul style="list-style-type: none"> Service improvement initiatives and benefits Security items, service risk and audit reports / dashboards / scorecards Strategic roadmap of services and scope, including transformation plans & achievements Annual performance scorecard review and action plan to address issues Annual review of the service charges, volume 	<ul style="list-style-type: none"> Agreed changes to service scope and service charges (incl service credits, savings bonus & malus) Validate strategic plans and direction for next year Minutes and action items from the meeting 	Annually

Forum / Meetings	Participants	Key Agenda Items	Outputs	Frequency
	Supplier: <ul style="list-style-type: none"> • Client Executive • Program Lead • Delivery Center Leads / Equivalent 	adjustments and billing forecast outlook <ul style="list-style-type: none"> • Annual review & validation of savings performance against the service levels for the Calendar Year and savings pipeline for the next Calendar Year • Business updates from both the Customer and the Supplier • Decisions and issues escalated from other governance forums • Action items from the previous meeting 		

Appendix 2

Reports, dashboards and scorecards

The Supplier shall provide the reports, dashboards and scorecards to the Customer as part of Governance in accordance with this Appendix 2.

Frequency	Description of reports, dashboards and/ scorecards
Daily	Customer's requirements on scope of work or as reasonably requested. Supplier and Customer shall agree during the Transition phase on the type of reports, dashboards and scorecards required on a daily basis
Weekly	<ul style="list-style-type: none"> • Service reports, dashboards and scorecards • Customer satisfaction levels • Key escalations and corrective action plans • Operational issues and current status
Monthly	<ul style="list-style-type: none"> • Monthly SLA performance • Savings delivery performance and spend / savings pipeline • Volume trends against forecasts • Root cause analysis, corrective actions for significant deviations • Changes to staffing levels • Recommendations from service managers
Business reports, dashboards and scorecards	<p>Management Reporting:</p> <ul style="list-style-type: none"> • Key recommendations for the Management • Business wise reporting on issues, service availability, capacity, SLA • Operating cost reporting <p>Management Dashboards: Real-time reports, dashboards and scorecards for process overview by Region/Country/Market</p> <p>Reports, dashboards and scorecards on Service Delivery performance for governance review meetings or as needed</p> <p>Reports, dashboards and scorecards on Transformation Delivery performance for governance review meetings or as needed</p> <p>Dashboards shall be always available and refreshed regularly (rate to be as specified by Customer during Transition)</p>

Schedule 10
APPROVED SUBCONTRACTORS

Name	Address	Scope of Services	Location of Processing (personal data) and transfer mechanism
None			

Schedule 11

POLICIES AND STANDARDS

1. OBJECTIVE

- 1.1 The objective of this Schedule is to provide the Supplier with the policies which the Supplier shall use, comply with and refer to in respect of all the Services to be provided under the Agreement.
- 1.2 To the extent that no Customer Policies exist, the Supplier shall adhere to the higher standard of the Supplier's own policies or Good Industry Practice.

2. CURRENT POLICIES

- 2.1 The policies include:
 - 2.1.1 the policies detailed in Appendix A to this **Schedule**; and
 - 2.1.2 the policies set out in Schedule 23 (Compliance)
 - 2.1.3 technical documentation;
 - 2.1.4 technical guidelines;
 - 2.1.5 operational procedures;
 - 2.1.6 Customer policies in relation to access and conduct whilst on Customer premises, including in relation to health and safety and security;
 - 2.1.7 Customer policies in relation to the environment, ethical trading and discrimination in the workplace; and
 - 2.1.8 any other standard, policy or procedure which is relevant to the performance or receipt of the Services,each a "**Customer Policy**" and together, the "**Customer Policies**".
- 2.2 To the extent the performance of the Services requires the Supplier (or any of its subcontractors) to access or otherwise interact with the Customer Systems, the Customer may notify the Supplier of any usage requirements and restrictions that may apply to such access or other interaction with the Customer Systems, including acceptable usage policies and any other relevant usage restrictions imposed by Customer third party supplier(s) of the Customer Systems ("**Usage Requirements**"). The Supplier shall, and shall procure all personnel performing Services shall, comply with all Usage Requirements. The Customer may notify Supplier of changes to the Usage Requirements from time to time and the Supplier shall comply with the same as described in this Paragraph.
- 2.3 In addition the Supplier shall provide the Services in conformance with Policies in use immediately prior to the Effective Date to the extent these are applicable to the Services and/or the Agreement.
- 2.4 In the event that the performance of the Transition Services, Transformation Services, any other Services, any Change request or any other type of request or instruction from Customer would conflict with any Policy, the Supplier will notify Customer within 15 Business Days of the date Supplier becomes aware of such conflict and Customer will resolve the conflict.

- 2.5 Prior to the Effective Date the Customer confirms and the Supplier acknowledges that the Supplier has been provided with a copy of each Policy.
- 2.6 Where descriptions in the Customer Policies refer to 'Customer employees' (or similar), the Supplier and Supplier Personnel shall observe and perform all requirements of the Customer Policies as though they were Customer employees save only where the requirement in question is clearly incapable of performance by a person who is not a direct employee of the Customer or a member of the Customer Group.

3. AMENDMENTS AND DEVELOPMENT OF NEW POLICIES

- 3.1 The Customer shall have the right to propose new Customer Policies, or propose changes to the existing Customer Policies, and subject to Paragraph 3.2, Supplier shall comply with all such new or amended Customer Policies. New Customer Policies or changes to the Customer Policies shall be notified to Supplier (including where introduced via the Monthly Service Committee).
- 3.2 Supplier shall be entitled, within 5 Business Days of first being notified of new Customer Policies or any changes or additions to Customer Policies in accordance with Paragraph 3.1 of this Schedule, to raise with the Customer any concern or observation which it may have regarding the application of the contents of such information to the Supplier and Supplier Personnel. Such concern or observation will be of a specific, rather than a general nature, and will be described in sufficient detail to enable the Customer to understand its potential impact in terms of the cost of providing the Services or the Supplier's ability to comply with Applicable Laws (and where Supplier seeks to pass that cost to Customer in accordance with Paragraph 3.3, Supplier shall also provide a CCN documenting such costs). The Customer and Supplier shall (if necessary) meet to discuss such concern or observation. Such discussion may lead to a withdrawal or amendment of the contents of such information if the Parties so agree but the information in question shall remain part of the Customer Policies until such agreement is reached. If the Customer and Supplier cannot reach agreement, the issue shall be submitted to the Dispute Resolution Procedure.
- 3.3 Supplier cannot resist complying with a change or additional Customer Policy on the basis of cost to Supplier provided that where such cost is demonstrable and material and has been notified to Customer in accordance with Paragraph 3.2, then (unless Customer modifies or withdraws such requirement) the Parties shall agree in good faith a Change via the Change Control Procedure to reflect such additional cost.

APPENDIX A
POLICIES AND
PROCEDURES

Summarized List of applicable PMI Policies	
<u>IMS TP AP RD Procurement Demand Execution Contribution Process Standard.pdf</u>	<u>including the Procurement Contribution Guidelines</u>
	<u>IMS, TP, AP, R&D DEMAND-EXECUTION-CONTRIBUTION PROCESS STANDARD</u>
	<u>IMS, TP, AP, R&D PROCUREMENT CONTRIBUTION STANDARD</u>
<u>PMI 01-C Managing Company Information ENG.pdf</u>	
<u>PMI 02-C Global Workplace Integrity Policy ENG.pdf</u>	
<u>PMI 08-C Environment Health Safety and Security ENG.pdf</u>	
<u>PMI 09-C Know Your Vendor ENG.pdf</u>	
<u>PMI 11-C Acceptable Forms of Payments ENG.pdf</u>	
<u>PMI 14-C Global Anti-Corruption Policy ENG.pdf</u>	
<u>PMI 18-C Using Computer Hardware Software and the Internet ENG.pdf</u>	
<u>PMI 21 Managing Information Systems ENG.pdf</u>	
<u>PMI 22 PMI Data at Third Parties and on the Internet ENG.pdf</u>	
<u>PMI 28 Contracts and Agreements – Financial Review ENG.pdf</u>	
<u>PMI 29 Buying Goods and Services ENG.pdf</u>	
<u>PMI 31-C External Communications and Engagement ENG.pdf</u>	
<u>PMI RESPONSIBLE SOURCING PRINCIPLES.pdf</u>	

Schedule 12 TECHNOLOGY

1. Responsibilities

- 1.1 Customer Technology shall be hosted and maintained by Customer or its service providers. Customer shall be responsible for providing and maintaining an effective connection to allow necessary or agreed Supplier Personnel to access and use any agreed Customer Technology.
- 1.2 Supplier Technology shall be hosted and maintained by Supplier or its subcontractors. Supplier shall be responsible for providing and maintaining an effective connection to allow necessary Supplier personnel to access and use any agreed Supplier Technology to provide the Services under the Agreement.
- 1.3 Connection or access to the Customer Technology is anticipated to be via VDI or via the internet, and shall subject to such access or control requirements as deemed appropriate by Customer. Full details of such connections, access and controls shall be agreed as part of Transition.
- 1.4 For the avoidance of doubt and without limitation, Customer shall own all deliverables, outputs, data and any reports generated through: (i) the use of Supplier Technology/Applications/RPA; and (ii) created within Customer's technology environment.

2. Technology to be provided

- 2.1 Appendix 1 sets out the range of technology to be provided or used by either Party, as follows:
 - 2.1.1 Customer shall provide and Supplier shall use the technology listed in Appendix 1 Table A for the delivery of Services according to the Customer guidelines;
 - 2.1.2 Supplier shall provide and Supplier shall use the technology listed in Appendix 1 Table B as required to perform the Services, and/or the Transition & Transformation; and
 - 2.1.3 Supplier may provide and Supplier may use the technology listed in Appendix 1 Table C as may be required to support the Transformation,

provided that any Supplier Technology that processes Customer Data or interfaces to Customer Systems must be approved prior to use in accordance with Paragraph 2.2.3 and 2.2.4 below.
- 2.2 To provide clarity on the operation of the table in Appendix 1:
 - 2.2.1 Customer shall ensure that Customer provides Supplier with access to the Customer Technology specified as being provided by Customer in Table A, users are "Supplier", and is "PMI mandated use" ("**PMI Provided Technology**")
 - 2.2.2 Supplier shall ensure that Supplier provides Supplier Personnel with access to the Supplier Technology specific as being provided by Supplier in Table B and Table C, users are "Supplier" (each being the "**Supplier Provided Technology**")
 - 2.2.3 Supplier may use the Supplier Technology specified as being "PMI approved"

(“Approved Supplier Technology”).

- 2.2.4 If Supplier Technology is specified as “PMI not approved” or will process Customer Data or interface to Customer Systems then Supplier may use it only after Customer’s written approval (in Customer’s sole but reasonable discretion, and which may be given subject to certain reasonable conditions). The request to approve Supplier’s Technology shall be triggered in advance to planned implementation in frames of Transition or Transformation Schedules. Customer shall review and analyse Supplier’s Technology one-by-one from security and integration perspective. Customer’s InfoSec team may conduct an audit of Supplier’s Technology to reasonably assure itself that any data hosted and processed outside of VDI is secured.
- 2.3 Customer may (in its sole but reasonable discretion), including as the outcome of PMI Digital Enablement strategy, change or update the of PMI Provided Technology by notice (for example if Customer changes its demand management solution Customer may update the PMI Provided Technology to replace the existing application with the new application).
- 2.4 Supplier may add or remove Supplier Provided Technology or Approved Supplier Technology only on the prior written consent of Customer (not to be unreasonably withheld or delayed)

3. Usage Restrictions

- 3.1 **“Usage Requirements”** means usage restrictions and requirements including acceptable usage policies and any other relevant usage restrictions imposed by Customer’s third party supplier(s) of the Customer IT Environment;
- 3.2 To the extent the performance of the Services requires the Supplier (or any of its subcontractors) to access or otherwise interact with the Customer System or any Customer Software, Customer may notify the Supplier of any Usage Requirements that may apply to such access or other interaction with the Customer System. Supplier shall, and shall procure all Personnel performing Services shall, comply with all duly notified Usage Requirements. Customer may notify Supplier of changes to the Usage Requirements from time to time and Supplier shall comply with the same as described in this Paragraph. If a third party asserts a claim based on Supplier’s failure to comply with Usage Requirements as notified, Supplier will defend Customer against that claim and pay amounts finally awarded by a court against Customer or included in a settlement approved by Supplier, provided that Customer promptly i) notifies Supplier in writing of the claim, ii) supplies information requested by Supplier; and iii) allows Supplier to control, and reasonably cooperates in, the defence and settlement, including mitigation efforts.

APPENDIX 1 TABLE A

#	Application Name	Purpose of Application	Provider (PMI/Supplier)	Environment for use (PMI/Supplier)	Users (Supplier/PMI, any other 4th party (sub-contracted))	PMI data processed? (Y/N)	Type of Data	Where data will be processed (geographical location)	Interfaces (Y/N)	PMI mandated use? (Y/N)	Supplier mandated use? (Y/N)	PMI approved?
				<i>Is this running on PMI or Supplier's systems?</i>	<i>Who will use this application?</i>	<i>Will PMI data be processed by the system?</i>	<i>Specify data classification as per PMI policies</i>	<i>If PMI data will be processed, outside of PMI, specify the country/countries.</i>	<i>Specify the integrations with other systems in place (list other applications)</i>	<i>PMI to answer this. I.e. is this an application that Supplier must use?</i>	<i>Supplier to answer this. I.e. is this an application Supplier considers essential to its business case</i>	<i>PMI to answer this. This is for tracking purposes. If this app is not provided by and "mandated" by PMI, then it would still need to be approved for use by PMI.</i>
1.	WorkDay	Management of Demand and Sourcing Activities	PMI	PMI	Supplier	Y	Demand and Sourcing records	SaaS	GSMT	Y	Y	Y
2.	iCertis	Management of Contracting	PMI	PMI	Supplier	Y	Contracting records	SaaS	N	Y	Y	Y
3.	Sievo	PMI29 Spend reporting and analysis	PMI	PMI	Supplier	Y	Analysis and Reporting	SaaS	SAP	Y	Y	Y

4.	SAP ACP	Supporting materials for contribution reporting	PMI	PMI	Supplier	Y	Analysis and Reporting	CH (IE 2022+)	Sievo uses data extract, VMDM	Y	Y	Y
5.	Flowingly	Exceptions Management	PMI	PMI	Supplier	Y	Exceptions records	SaaS	N	Y	Y	Y
6.	"MS Office 365: Outlook Word Excel Power Point Power BI Sharepoint"	Daily ways of working	PMI	PMI	Supplier	Y	Daily project records	SaaS	N	Y	Y	Y
7.	Adobe e-Signature	Approval and signature in frames of Contract Management	PMI	PMI	Supplier	Y	Contracting Activities	SaaS	iCertis	Y	Y	Y
8.	GSMT	Contribution Management	PMI	PMI	Supplier	Y	Contribution Records	CH (IE 2022+)	WorkDay	Y	Y	Y

9.	Orbis	Vendors due diligence in frames of FSR process	PMI	PMI	Supplier	N	Public Company Information	SaaS	N	Y	Y	Y
10.	VMDM Portal	VMD management	PMI	PMI	Supplier	Y	VMD documents	CH (IE 2022+)	SAP	Y	Y	Y
11.	PMI Technical Material Application	Technical Procurement Management	PMI	PMI	Supplier	Y	Records	CH (IE 2022+)	N	Y	Y	Y
12.	TP SPIC: https://futureapplh.pmiapps.biz/spiact	Technical Procurement Management	PMI	PMI	Supplier	Y	Records	CH (IE 2022+)	N	Y	Y	Y
13.	Ecovadis	Manage and record sustainability commitments of PMI Vendors	PMI	PMI	Supplier	N	Sustainability Commitments of PMI Vendors	SaaS	N	Y	Y	Y

14.	Technical Procurement Tool	Manage Open PR/RFQ/Offer s/Open PO and Order Confirmation	PMI	PMI	Supplier	Y	Records on open PRs and follow-up on the owner's actions on the Open PRs closure	CH (IE 2022+)	N	Y	Y	Y
15.	Coupa Catalogues	Tail Spend Management by Catalogues	PMI	PMI	Supplier	Y	Records on purchased catalogue items	SaaS	SAP	Y	Y	Y

APPENDIX 1 TABLE B

#	Application Name	Purpose of Application	Provider (PMI/Supplier)	Environment for use (PMI/Supplier)	Users (Supplier/PMI, any other 4rd party (sub-contracted))	PMI data processed? (Y/N)	Type of Data	Where data will be processed (geographical location)	Interfaces (Y/N)	PMI mandated use? (Y/N)	Supplier mandated use? (Y/N)	PMI approved?
				<i>Is this running on PMI or Supplier's systems?</i>	<i>Who will use this application?</i>	<i>Will PMI data be processed by the system?</i>	<i>Specify data classification as per PMI policies</i>	<i>If PMI data will be processed, outside of PMI, specify the country/countries.</i>	<i>Specify the integrations with other systems in place (list other applications)</i>	<i>PMI to answer this. I.e. is this an application that Supplier must use?</i>	<i>Supplier to answer this. I.e. is this an application Supplier considers essential to its business case</i>	<i>PMI to answer this. This is for tracking purposes. If this app is not provided by and "mandated" by PMI, then it would still need to be approved for use by PMI.</i>
16.	Ticketing and Triaging Tool	Triaging requests received from Customer to Supplier personnel	Supplier	Supplier	Supplier	TBD	Request forms	TBD – Third party cloud SaaS	N	N	N	N To be reviewed in Transition
17.	Knowledge Management Tool	The tool “mines our extensive procurement repository” of sourcing events, contracts, MI, etc to provide ready benchmarks, levers, etc.	Supplier	Supplier	Supplier	N	Sourcing, Contracting and SRM information	TBD	N	N	N	N To be reviewed in Transition

18.	SLA/KPI Performance Management Tool	Monitor adherence to project timelines and service levels. Track performance to identify potential risks	Supplier	Supplier	Supplier	Y	Program Management, Sourcing and Reporting data	GEP SharePoint – To be confirmed during implementation	N	N	N	N To be reviewed in Transition
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APPENDIX 1 TABLE C

#	Application Name	Purpose of Application	Provider (PMI/Supplier)	Environment for use (PMI/Supplier)	Users (Supplier/PMI, any other 4th party (sub-contractor))	PMI data processed? (Y/N)	Type of Data	Where data will be processed (geographical location)	Interfaces (Y/N)	PMI mandated use? (Y/N)	Supplier mandated use? (Y/N)	PMI approved?
				<i>Is this running on PMI or Supplier's systems?</i>	<i>Who will use this application?</i>	<i>Will PMI data be processed by the system?</i>	<i>Specify data classification as per PMI policies</i>	<i>If PMI data will be processed, outside of PMI, specify the country/countries.</i>	<i>Specify the integrations with other systems in place (list other applications)</i>	<i>PMI to answer this. I.e. is this an application that Supplier must use?</i>	<i>Supplier to answer this. I.e. is this an application Supplier considers essential to its business case</i>	<i>PMI to answer this. This is for tracking purposes. If this app is not provided by and "mandated" by PMI, then it would still need to be approved for use by PMI.</i>
19.	Auto-Bid	Automates sourcing process for low value transactions enabled by Bid Optimizer and Dynamic Feedback	Supplier	Supplier	Supplier	Y	Tactical Sourcing Information	N/A	N	N	N	N
20.	Predictive Modelling	Predictive analytical tools/cost models, and decision support tools to provide go-to market insights	Supplier	Supplier	Supplier	N	Market Analysis, Sourcing Data	N/A	N	N	N	N
21.	Market Intelligence & Benchmarking Tool	A one-stop portal for all category specific knowledge, market intelligence, price trends and benchmarks	Supplier	Supplier	Supplier	Y	Market Analysis, Sourcing Data	GEP SharePoint – To be confirmed during implementation	N	N	N	N

22.	NLP Reporting	Natural Language Processing (NLP) based reporting and deterministic/search-based algorithms to retrieve information and generate customized reports	Supplier	Supplier	Supplier	Y	Reporting information	TBD	N	N	N	N
23.	Process RPAs	Continuous evaluation of processes for replacement of manual tasks with bots to deliver speed and productivity	Supplier	Supplier	Supplier	N	Sourcing, Contracting , SRM and Reporting information	N/A	N	N	N	N
24.	Process Mining & Root Cause Analysis	Process mapping and assessment of end-to-end S2P processes to identify opportunities for optimization and improved efficiencies	Supplier	Supplier	Supplier	Y	Sourcing, Contracting and SRM information	TBD	N	N	N	N

Schedule 13

SECURITY

Term	Definition
Affiliate:	means an entity that, either directly or indirectly, controls, is controlled by, or is under common control with, the relevant entity, where “control” means the ability to direct the affairs of another by ownership, contract or otherwise.
Agreement:	means the agreement between the Customer and the Supplier which incorporates this information security schedule.
Asset:	means: (i) any item or element of hardware, software or equipment that is or may be used for the purpose of creating, accessing, processing, protecting, monitoring, storing, retrieving, displaying or transmitting data of any type); and (ii) any documentation (in whatever medium) that relates to the use or operation of such items and elements; and (iii) any data stored or transferred on the assets listed at (i).
Customer:	means the person purchasing the Services under the Agreement.
Customer Data:	means data that either: the Customer, or a person acting on its behalf, provides to the Supplier, or permits the Supplier to access, in connection with the Agreement; or the Supplier creates or collects in connection with the Agreement; or is derived from the data listed in (a) and (b).
Customer Group:	means the Customer and all its Affiliates (and “member of the Customer Group” shall be construed accordingly).
Customer System:	means a System or Asset which is owned by or reserved (in whole or in part) for operation by or on behalf of any member of the Customer Group.
Data Subject:	means an identified or identifiable natural or legal person; an “identifiable” person is one who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to his physical, physiological, mental, economic, cultural or social identity.
Evidence:	means certification documentation that is no more than 12 months old, covers the scope of the Services, and provided by a reputable independent assessor. Such documentation could include: <ul style="list-style-type: none"> • SOC 2 Type II reports; • ISO27000 Certification reports; • PCI-DSS AOC certification reports; • Vulnerability Assessment and Penetration Testing (VAPT) reports; and • Regulatory Compliance reports (e.g. FDA certifications). • Assessments conducted by an independent provider as designated by Customer

Good Security Practice:	<p>means measures and practices consistent with:</p> <ul style="list-style-type: none"> (a) the technical and organizational measures and practices that are required by, or recommended in, internationally accepted management standards and codes of practice relating to Information Security (such as ISO/IEC 27001 (Information Security Management Systems – Requirements) and ISO/IEC 27002 (Code of Practice for Information Security Management)); and (b) accepted management standards and codes of practice relating to technical security (such as NIST SP 800-161); and (c) security standards and guidelines (including generally accepted principles regarding the segregation of the duties of governance, implementation, administration and control) and techniques such as strong authentication, access control and auditing, “least privilege” assignment, all as reasonably made available to the general public or information security practitioners and stakeholders by generally recognized authorities and organizations regarding Information Security, <p>as the same are expanded, varied and replaced from time to time.</p>
<p>to “implement” (and variants of it, such as “Implementation”):</p>	<p>means, in respect of a process, policy, procedure, a plan, a measure or a control (for the purposes of this definition, each a “process”), to plan that process; document the process; issue the process; require staff to follow the process; train staff on the process; embed the process in operations; enforce it; regularly review, and measure, the extent to which the process is followed and effective; and update it as appropriate.</p>
Information Security:	<p>means:</p> <ul style="list-style-type: none"> (a) the protection and assurance of: <ul style="list-style-type: none"> (i) the confidentiality, integrity, reliability and availability of information and Systems; and (ii) related properties of information such as authenticity, accountability, and non-repudiation; and (b) compliance with all regulations applicable to the Processing of information.
Personal Data:	<p>means any information relating to a Data Subject.</p>
<p>references to “personnel”:</p>	<p>in addition to the relevant party’s staff (permanent or otherwise), such references include also references to that party’s Service Providers.</p>
<p>to “Process” (and variants of it, such as “Processing”) :</p>	<p>means to perform any operation or set of operations upon data, whether or not by automatic means, such as collecting, recording, organizing, storing, adapting or altering, retrieving, consulting, using, disclosing (by transmission, dissemination or otherwise making available), aligning or combining, blocking, erasing or destroying.</p>

“Security Event”	means any occurrence related to Supplier Systems indicating a potential (i) breach of information security (including a compromise to the confidentiality, integrity, or availability of Customer Data); or (ii) compromise of business operations; or (iii) may require a review of security arrangements.		
“Security Incident”	means one or more Security Events that has or might compromise the confidentiality, integrity or availability of Customer Data (including a Security Event that compromises business operations or threatens information security (including confidentiality, integrity, and availability of Customer Data)).		
Services:	means the services being provided by the Supplier under the Agreement.		
Service Provider	means a subcontractor or subprocessor of the Supplier.		
Supplier:	means the person providing the Services to the Customer under the Agreement.		
Supplier Personnel	means individuals who are employees, agents and officers of either: (a) the Supplier; or (b) the Supplier’s Service Providers.		
Supplier System:	means a System or Asset which is owned or reserved (in whole or in part) for operation by or on behalf of the Supplier or any of its Affiliates.		
System:	means an information technology or communication system, network, service or solution (including all Assets that either (a) form part of it, or (b) are used to provide it).		
	<table> <tr> <td>System Data:</td><td>means the data used to operate a System, including metadata and system code.</td></tr> </table>	System Data:	means the data used to operate a System, including metadata and system code.
System Data:	means the data used to operate a System, including metadata and system code.		

- (a) The Supplier shall provide the Services and perform its obligations under the Agreement in accordance with:
- (i) this information security schedule; and
 - (ii) Good Security Practice.
- (b) Taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of the Processing as well as the risk of varying likelihood and severity for the rights and freedoms of individuals to whom the data may relate, the Supplier shall implement the technical and organizational measures described in the table below (the **“Security Measures”**) to protect the Services and the Customer Data in such a way as to ensure a level of security appropriate to the risk.
- (c) In assessing the appropriate level of security mentioned above:
- (i) where the Security Measures address a topic without indicating specific measures, the Supplier shall address the topic, taking account in particular of the risks that are presented by the Processing, in particular from accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to data transmitted, stored or otherwise processed (**“Data Risks”**); and
 - (ii) where the Security Measures indicate specific measures (for example, MFA requirements or password requirements), the Supplier may implement more stringent standards to ensure that the Data Risks are appropriately addressed, but may not implement a lesser standard.

Topic	Details of the Security Measures
Compliance with internal policies:	<ol style="list-style-type: none"> 1. The Supplier shall issue and comply with written policies and procedures that address each of the control areas for securing Customer Data set out in this document. The Supplier shall support this with: <ol style="list-style-type: none"> (a) a documented approach; (b) a risk managed approach; (c) a mechanism for measuring compliance against the rules; (d) a plan for training and promoting awareness, including: <ol style="list-style-type: none"> (i) roles and responsibilities for protecting Customer Data; (ii) legal and contractual obligations; and (iii) mitigating the risk of non-compliance. 2. The Supplier shall document how it: <ol style="list-style-type: none"> (a) organizes the security of Customer Data; (b) assigns responsibilities; and (c) addresses security in mobile devices and remote working. 3. The Supplier shall implement internal policies and procedures that ensure: <ol style="list-style-type: none"> (a) that the confidentiality, integrity and availability of Customer Data are maintained; and (b) compliance with legal and regulatory requirements to which the Customer and the Customer Data may be subject. 4. The Supplier shall review its policies and procedures at least annually, and in response to any significant change in circumstances. 5. The Supplier, with respect to these policies and procedures, shall: <ol style="list-style-type: none"> (a) train its employees and relevant third parties (such as contractors); (b) monitor compliance with its own policies and procedures; (c) to the extent the Supplier has access to any Customer System: <ol style="list-style-type: none"> (i) ensure that Supplier Personnel who are engaged from time to time in the provision of the Services are trained on Customer policies and procedures; and (ii) monitor compliance with the Supplier's obligations arising under this Agreement, except to the extent that only the Customer can perform such monitoring; (d) implement processes to identify, assess, respond to, and monitor risks towards Customer Data and the Services; and (e) inform, promptly as they are confirmed, the Customer of such risks and measures to respond to them that are being taken or necessary. 6. Where Customer Data is stored or processed on endpoints, including mobile devices (for example, smartphones, tablets), the Supplier shall employ software that allows IT administrators to control, secure and enforce policies on those endpoints.

Topic	Details of the Security Measures
Internal security management procedures:	<ol style="list-style-type: none"> 1. The Supplier shall implement measures to secure Customer Data by: <ol style="list-style-type: none"> (a) controlling Processing rights and access rights to Customer Data (b) controlling use of systems that either protect Customer Data, or that hold Customer Data (both at rest and in transit) (or both); (c) monitoring access to the systems described in paragraph (b) above; (d) retaining, deleting and returning Customer Data in accordance with periods agreed with the Customer; (e) imposing, where the Supplier works with Service Providers on such Service Providers substantially the same security requirements as described in this document to protect Customer Data. In addition the Supplier shall meet all of their responsibilities under any applicable shared responsibility model as provided by their cloud-Service Provider(s).; and (f) implementing a process to provide annual assurance (where required by Customer) of the security of Customer Data (irrespective of whether it is processed by the Supplier or by any of its Service Providers) in accordance with the principles of this document, including Evidence to demonstrate that security. To the extent any areas are identified as requiring improvement, the Supplier agrees to improve them promptly. Associated costs of this assurance shall be borne by the Supplier. 2. To the extent that the Supplier Processes Customer Data otherwise than directly on Customer Systems, the Supplier has established, and implements, internal security management procedures that cover the following elements: <ol style="list-style-type: none"> (a) requesting and approving data processing rights in the Supplier's Systems; (b) granting such rights in the Systems; (c) reviewing such rights in the Systems; (d) attributing to different individuals the roles for requesting, approving, granting and reviewing such rights; and (e) documenting the roles and responsibilities in relation to the above, and to whom such responsibilities and rights are attributed. 3. Where dealing with Customer Data in the Supplier Systems, the Supplier shall implement standard operating procedures (SOPs) governing: <ol style="list-style-type: none"> (a) methods and resources for authenticating System users, and procedures for that; (b) creation and use of copies of System Data, programs and program tools used for backing-up and restoring Systems; (c) creation and maintenance of System Data required for System testing and migration;

Topic	Details of the Security Measures
	<ul style="list-style-type: none"> (d) the protection of any copies required for System backup, archiving and other purposes; (e) securing Systems against unauthorized access; (f) recording who has accessed such Systems, stating the date and scope of such access; (g) conducting reviews and maintenance of media and Systems used for data Processing; (h) disposing securely of information that no longer needs to be retained, including: <ul style="list-style-type: none"> (i) customization of data retention periods; and (ii) arrangements for emergency deletion of PMI data. <p>4. In the event that the Supplier personnel provide any or all of these Services using Customer Systems (for example staff augmentation services) then the Supplier shall classify Customer Data and adhere to relevant Customer IT standards in accordance with the Customer's instructions and Supplier personnel shall undertake all training mandated by Customer.</p>
Building access controls:	<ol style="list-style-type: none"> 1. The Supplier shall implement physical and environmental controls to prevent: <ul style="list-style-type: none"> (a) unauthorized physical access to Customer Data; (b) damage to Customer Data; (c) interference with Customer Data; (d) loss of Customer Data; and (e) theft of Customer Data. 2. The Supplier maintains a list of the locations (e.g., data centers, computer rooms, offices) where Customer Data under its control is processed or stored. 3. The Supplier controls access to such locations where Customer data may be processed or stored through implementation of appropriate logical, physical or technical controls (or any combination of them). 4. The Supplier shall apply appropriate logical and/or technical controls for the protection of data in the Supplier's environment. These shall include physical controls such as fences, locked doors and windows, environmental controls to detect, alert and prevent inappropriate conditions for operating computer systems due to (amongst others) fire, temperature, electrical power, or humidity. 5. The Supplier shall ensure that its representatives comply with those control arrangements agreed with the Customer. 6. In addition, to the extent that the Supplier may process or store Customer Data on fourth party system, the Supplier shall ensure measures are in

Topic	Details of the Security Measures
	place which deliver a similar level of protection to systems under their direct control.
Access and System infrastructure controls for Customer Data:	<ol style="list-style-type: none"> 1. The Supplier shall implement measures to control access to Customer Data (including at rest and in transit) including: <ol style="list-style-type: none"> (a) the business aspects of access control; (b) user access management; (c) user responsibilities; and (d) system and access controls. 2. The Supplier shall document and enforce: <ol style="list-style-type: none"> (a) operational procedures and responsibilities ensuring the Supplier has adequate protections against malware and viruses; (b) System and data backup (including how to perform a back-up, when to do a back-up, who should perform a back-up, and logs of the back-ups made); (c) logging use of Supplier Systems (including details of who logged on, when did they log on and log off, what they did in the System (including changes made to the data)); (d) monitoring the above logs; (e) retaining the above logs for no less than 12 months or, where the Supplier gives the Customer the opportunity to download the logs, for no less than 3 months; (f) protecting the integrity of operational software; and (g) technical vulnerability management. 3. The Supplier shall implement measures to protect the security of Customer Data by: <ol style="list-style-type: none"> (a) controlling the purposes for which Customer data may be used and ensuring such purposes are permitted by the Agreement; (b) controlling the extent to which copies of Customer Data are made and limiting those copies to what is necessary (for example, the Supplier shall not use Customer Data outside the production environment unless such use is necessary and has a business justification); (c) controlling the location of copies of Customer Data; (d) controlling the disposal of Customer Data; and (e) maintaining records of the above. 4. The Supplier shall process and store Customer Data only through Assets and Systems effectively controlled by the Supplier. 5. The Supplier shall ensure that any access over the internet to Supplier Systems that store or process Customer Data will be subject to Multi-Factor Authentication (MFA).

Topic	Details of the Security Measures
	<p>6. The Supplier shall ensure that all Supplier Personnel who require access to Customer Systems and Data are equipped with devices that comply with the Customer's Multi-Factor Authentication (MFA) requirements for such access.</p> <p>7. To the extent that Customer Data are Processed in a Supplier System, and to the extent that the Supplier Processes Customer Data in a Customer System and can exercise such control over the System, the Supplier shall restrict access to that System including by:</p> <ul style="list-style-type: none"> (a) ensuring access is granted to a named individual only; (b) maintaining lists of individual access to production Systems and the permissions granted to user accounts; and (c) implementing access control which records and restricts the number of persons with privileged access to those with an approved business need. <p>8. The Supplier shall restrict individual access by users to only those parts of the System to which they need it to perform an approved role.</p> <p>9. The Supplier shall restrict using the principles of:</p> <ul style="list-style-type: none"> (a) authentication; (b) identity management; and (c) user access management. <p>10. The Supplier shall implement a process to:</p> <ul style="list-style-type: none"> (a) manage access to Customer Data systems to defined time periods, ensuring those periods have an approved business justification; and (b) record the following information against each instance where access permission is granted: <ul style="list-style-type: none"> (i) the date and time when the access starts; and (ii) the date and time when the access ends. <p>11. When any changes are made to an existing access, the Supplier shall record the change and its justification.</p> <p>12. The Supplier shall implement a process for removing access permissions when the permission expires, whether:</p> <ul style="list-style-type: none"> (a) on completion of the task for which access was granted; (b) on expiry of the initially approved time period; or (c) termination of the privileged users' role (including through termination of employment). <p>13. The Supplier shall:</p> <ul style="list-style-type: none"> (a) review user access privileges used by or on behalf of the Supplier to access the Customer Data and Systems holding Customer Data with the frequency required by the Supplier's security policies; (b) in any event no less frequently than once per calendar year;

Topic	Details of the Security Measures
	<ul style="list-style-type: none"> (c) ensure that personnel who have access to the System act responsibly and with due care; (d) maintain access control lists to production systems and the permissions granted to user accounts; (e) disable or revoke a user's access rights when the user no longer needs such access rights; and (f) have a process to ensure that access rights to Supplier Systems, and to other Systems (e.g. Customer Systems) to which the Supplier (either itself or through a third party) has granted access, are revoked from the time the employment ends. <p>14. The Supplier shall link all of the procedures in this section (on Access and System infrastructure controls for Customer Data) to the Supplier's policy on Joiners, Movers and Leavers.</p> <p>15. Where the Supplier requires access to, or copies of, any Customer Data for the purposes of software development or testing, the Supplier shall protect the Customer Data with equivalent system access restrictions to those used in production environments.</p> <p>16. Where appropriate, the Supplier shall use separate secure environments for development (including updating data), testing and production.</p> <p>17. The Supplier shall implement a process for periodic and timely maintenance of Systems where Customer Data is Processed which will include procedures for patching and upgrades.</p> <p>18. The Supplier shall maintain specifications of technical and organizational resources (covering System authentication, authorization and accounting) required to ensure the confidentiality, integrity and availability of Customer Data that are Processed by the Supplier.</p> <p>19. To the extent that the Supplier permits the Customer to itself manage users' access rights, the Supplier shall:</p> <ul style="list-style-type: none"> (a) ensure the Customer's access to such Systems is secure; and (b) provide the Customer with tools that enable it to perform the functions required to ensure the security of Customer Data in the Supplier environment. <p>20. The Supplier shall periodically (and no less frequently than annually) review the identity and access management process.</p> <p>21. The Supplier shall ensure that any systems where Customer Data are Processed use a Secure Architecture approach that applies Security by Design principles.</p> <p>22. Where changes are made to systems where Customer Data are Processed the Change follows a documented process that embodies the principle of segregation of duties.</p>

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	<p>23. The Supplier shall apply suitable technical protections to Customer Data to include:</p> <ul style="list-style-type: none"> (a) firewalls (including a process to review firewall rules on a periodic basis) and other measures to identify and prevent unauthorized attempts to access applications sites or services; (b) restricting access to system features and settings to privileged users; (c) applying industry standard cryptographic protection measures to data used for authentication; (d) encryption to protect Customer data in transit; (e) encryption to protect Customer data at rest, where appropriate; (f) ensuring the effectiveness of technical protections is regularly reviewed and updated to address emerging threats; (g) enforcing a password policy that complies with one set out in a best practice framework (a combination of at least nine upper & lower case letters, numerals and special characters); (h) automatically disabling user accounts after invalid login attempts; and (i) automatically locking idle login sessions. <p>24. Where the Supplier is developing software on behalf of the Customer, and whether that software is implemented on Customer or Supplier Systems, the Supplier shall apply frameworks that are objectively considered to be best practice, e.g. Open Web Application Security Project (OWASP) as appropriate. The Supplier shall be prohibited from utilizing copyleft open source software, in any Services.</p> <p>25. The Supplier shall store Source Code in an industry standard secure repository.</p> <p>26. In software development, the Supplier shall, prior to go live of the software (and prior to making any updates of it) and (to the extent such software is run on Supplier Systems) thereafter no less frequently than annually, conduct appropriate vulnerability testing. This should include:</p> <ul style="list-style-type: none"> (a) a combination of Static Application Security Testing (SAST) and Dynamic Application Security Testing (DAST); (b) vulnerability scanning of the underlying infrastructure. <p>27. Where dealing with Customer Data in a Supplier System, the Supplier shall document standard operating procedures (SOPs) for:</p> <ul style="list-style-type: none"> (a) security hardening for the end user devices used to provide the Services (b) management and use of System Data; (c) creation and use of copies of System Data; (d) programs and program tools used for backing-up and restoring Systems;

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	<ul style="list-style-type: none"> (e) creation and maintenance of system data required for system testing and migration; (f) protection of any copies required for System backup, archiving and other purposes; (g) how to secure Systems against unauthorized access; (h) how Systems record who has accessed such Systems, stating the date and scope of such access; (i) how to conduct reviews and maintenance of media and Systems used for data processing; and (j) how to dispose securely of information that no longer needs to be retained including: <ul style="list-style-type: none"> (i) customization of data retention periods; and (ii) arrangements for emergency deletion of Customer Data. <p>28. The Supplier shall implement a process to obtain assurance about the security of Customer Data where Customer Data is Processed by any Service Provider, to be available to the Customer upon request, including:</p> <ul style="list-style-type: none"> (a) maintaining guidelines for retention and disposal of business correspondence and other records; (b) maintaining policies and procedures regulating the downloading, use and retention of third-party software and data; (c) ensuring the information security of Customer Data that is electronically transmitted (directly or via staging facilities) between Systems (whether at the Supplier's or other parties' facilities); and (d) managing removable and portable media in accordance with Good Security Practice, including where appropriate storing them in a safe, secure environment in accordance with manufacturers' specifications. <p>29. The Supplier shall, where appropriate, implement a Data Loss Prevention solution.</p>
Transmission	<ol style="list-style-type: none"> 1. The Supplier shall document and enforce measures to protect Customer Data during transmission by: <ul style="list-style-type: none"> (a) applying network security management; and (b) applying measures to secure data in transit. 2. The Supplier shall not transmit, or request any user to transmit, passwords used to access Customer Data in clear text over Systems or between Systems. 3. The Supplier shall not host, nor transmit to/from any member of the Customer Group, or permit such transmission by any Supplier Personnel, of any Customer Data, or any unstructured data, using any means other than through Supplier Systems or Customer Systems. For example, the Supplier shall not use, and shall not permit the use, for those purposes, of:

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	<ul style="list-style-type: none"> (a) non-corporate e-mail accounts (e.g. Yahoo!, Gmail, etc.); (b) unsecured FTP; or (c) consumer file sharing services. <p>4. The Supplier shall not send any physical media device(s) containing Customer Data to any recipient (including the Customer or any of its Affiliates) via any postal or courier service except with the prior written (including e-mail) agreement of the Customer's designated security contact. Any such approval shall be valid for only one individual transmission.</p>
Managing Assets	<p>1. The Supplier shall document and enforce measures to protect the security of the Customer's Assets by:</p> <ul style="list-style-type: none"> (a) identifying Customer Assets on Supplier Systems; (b) understanding the risk classification of information Assets on Supplier Systems; and (c) ensuring that Customer Data is not subject to unauthorized disclosure, modification, removal or destruction. <p>2. The Supplier shall develop and maintain inventories of:</p> <ul style="list-style-type: none"> (a) physical devices and Systems where Customer Data are Processed within the organization; and (b) software platforms and applications where Customer Data are Processed within the organization, including in each case details of relevant resources (e.g., hardware, devices, data, and software) where Customer Data are Processed prioritized based on their classification, criticality, and business value. <p>3. If the Supplier is to decommission, or dispose of, any Asset containing Customer Data, the Supplier shall ensure either:</p> <ul style="list-style-type: none"> (a) that the Asset is irretrievably destroyed or returned to the Customer; or (b) that the Customer Data or relevant information held on the Asset is deleted and rendered irrecoverable prior to decommissioning, or disposing of, the Asset.
Review reports and notification	<p>1. The Supplier shall document and enforce measures to protect its data, and maintain Evidence of the effectiveness of these measures, for example by:</p> <ul style="list-style-type: none"> (a) external and internal audit; (b) logs and reports; (c) testing and scanning; and (d) evaluating performance against documented agreements. <p>2. The Supplier shall conduct regular risk-based audits, whether external or internal covering systems where Customer Data is Processed.</p>

Topic	Details of the Security Measures
	<p>3. The Supplier shall measure the effectiveness of the measures put in place to protect Customer Data against:</p> <ul style="list-style-type: none"> (a) formal agreement between the Customer and Supplier; or (b) a recognized best practice framework such as ISO/IEC 27000, NIST or System and Organization Controls (SOC). <p>4. Where the Supplier is subject to external audit, the Supplier shall share with the Customer such reports (or such elements of reports as are relevant to Customer Data) with the Customer. These reports are likely to include:</p> <ul style="list-style-type: none"> (a) ISO/IEC certification and monitoring audit reports; and (b) System and Organization Controls (SOC) reports. <p>5. Where IT systems are in scope of Payment Card Industry Data Security Standard (PCI DSS), the Supplier shall maintain compliance with the current applicable version of PCI DSS as published by the PCI Security Standards Council. The Supplier will provide Evidence of such compliance to the Customer to fulfil contractual requirements on request.</p> <p>6. The Supplier shall conduct regular penetration testing.</p> <p>7. The Supplier shall conduct regular vulnerability scanning.</p> <p>8. The Supplier shall perform security assessments (including performing tests) of Systems that Process Customer Data no less frequently than annually.</p> <p>9. The Supplier shall:</p> <ul style="list-style-type: none"> (a) share the reports created, and results of testing performed, in such audits with the Customer in a timely manner, the format and timescale to be agreed with the Customer; and (b) permit the Customer to perform its own security assessments of such Systems in coordination with the Supplier. <p>10. The Supplier shall provide the Customer, no less frequently than each quarter (or such other period as the Customer may agree), with comprehensive and readily understandable overviews regarding:</p> <ul style="list-style-type: none"> (a) the access permissions of all persons with access to the Customer Data; (b) audit trails of all persons with access to the Customer Data; (c) records of detection of unauthorized mobile code; (d) records of external Service Provider activity; (e) records of monitoring for unauthorized personnel, connections, devices, and software; and (f) records of vulnerability scans.
Incident management	<p>1. In the event of any unauthorized access, loss or physical and/or technical incident impacting the Services, Customer Confidential Information and/or Customer Personal Data, then the Supplier shall promptly notify</p>

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	<p>the Customer at soc@pmi.com and provide the Customer with all reasonable assistance.</p> <p>2. The Supplier shall document and implement technical and organizational measures for the secure management of Security Events and Security Incidents. These measures should include:</p> <ul style="list-style-type: none"> (a) appointing employees to be responsible for particular roles so that the Supplier has a consistent approach to incidents; (b) an incident management process which shall include measures to: <ul style="list-style-type: none"> (i) detect, track, escalate and resolve any Security Events or Security Incidents, failures, or other operational risks; and (ii) understand the impact of the above in a timely manner; and (c) appointing an incident management team with a defined role and invocation point; (d) defined and prompt detection and response procedures and timelines, and sharing these with the Customer; (e) procedures to minimize and control the potential impact of Security Incidents, including: <ul style="list-style-type: none"> (i) Asset management; (ii) impact assessment; (iii) creation of a response plan to promptly handle and remediate the impact of the Security Incident; and (iv) implementation of that response plan, including escalation to all appropriate parties.
Service continuity	<p>1. The Supplier shall document and enforce measures to minimize disruption to service availability following a Security Incident or other disruptive event (e.g. earthquake, flood, power outage, pandemic). This shall include ensuring that:</p> <ul style="list-style-type: none"> (a) security arrangements remain in place throughout; and (b) redundancy measures are in place for continued delivery of the Services. <p>2. The Supplier shall:</p> <ul style="list-style-type: none"> (a) test, approve and deploy changes to the Supplier Systems in a controlled manner with only minimal disruption to the Customer; (b) implement the appropriate organizational and technical measures necessary to sustain or rapidly recover the services being provided to the Customer in the case of any reasonably foreseeable disruptive event; and (c) ensure that any stand-by or alternative location used for the purposes of the Supplier's service continuity is subject to information security

Topic	Details of the Security Measures
	controls at least equivalent to those in force at the facility from which the Supplier usually operates the relocated processes.
Third party access requests	<p>Supplier certifies that:</p> <ol style="list-style-type: none"> 1. Supplier has not purposefully created back doors or similar programming that could be used to access the Supplier system and/or Customer Data; 2. Supplier has not purposefully created or changed its business processes in a manner that facilitates access to the Supplier system or Customer Data; 3. Applicable law or government policy does not require Supplier to create or maintain back doors or to facilitate access to Customer Data or Supplier's systems, or for Supplier to be in possession or to hand over the encryption key; and 4. Supplier has implemented organisational measures to challenge requests from applicable government authorities if such requests are disproportionate or unlawful.
Technical Addendum	<p><i>Drafting Note:</i></p> <p><i>Please note that some contracts may require additional security measures where specific technical or regulatory requirements are within the contract scope. The Third Party Cyber Risk Management (TPCRM) Team will work with PMI Subject Matter Experts to identify additional security measures for inclusion in such contracts.</i></p> <p><i>Examples include, but are not limited to</i></p> <ul style="list-style-type: none"> • cloud security • application security • quality management • operations security • communications security • PCI-DSS • custom application development <p><i>Relevant security measures should be copied from the Technical Addenda and included at this section of the TPISS.</i></p> <p><i>The Technical Addenda can be found at the following link Third Party Cyber Risk Management (sharepoint.com) where PMI contract owners will also find other useful TPCRM tools and guidance.]</i></p>

Schedule 14
[NOT USED]

Schedule 15

EXIT MANAGEMENT

1. LOCAL DEFINITIONS

For the purposes of this Schedule, the following terms shall have the following meanings:

- 1.1 **"Termination Assistance Charges"** has the meaning given in Paragraph 6.2 of this Schedule.
- 1.2 **"Termination Assistance Notice"** has the meaning given in Paragraph 6.4 of this Schedule.
- 1.3 **"Termination Assistance Period"** has the meaning given in Paragraph 6.4 of this Schedule, as may be extended pursuant to Paragraph 6.5 of this Schedule.
- 1.4 **"Termination Date"** means the date that the relevant Services terminate, which shall be the date of expiry or termination of this Agreement unless otherwise stated in the Exit Management Plan or the Termination Assistance Notice (as may be extended pursuant to Paragraph 6.5 of this Schedule). By way of example the Customer may want a phased exit, and in such case different elements of the Services may have phased Termination Dates staggered throughout the Termination Assistance Period.
- 1.5 **"Termination Services"** means the services and activities to be performed by Supplier pursuant to this Schedule and/or the Exit Management Plan, including the continued provision of the Services (if required by Customer), those other activities listed in Paragraph 6.12 of this Schedule, and any other services required by the Customer pursuant to the Termination Assistance Notice.

2. OVERVIEW

- 2.1 The Supplier shall perform the Termination Services in such a manner that:
 - 2.1.1 there is a seamless and orderly transition of the Services from the Supplier to the Customer and/or any Replacement Supplier in the event of termination (including partial termination) or expiry of this Agreement with minimal disruption to the Customer's business;
 - 2.1.2 the impact on the Customer's business (including its personnel and customers) and the internal and third party costs incurred by the Customer in transferring the Services are, to the extent reasonably possible, minimised;
 - 2.1.3 the Services continue to be performed by the Supplier until the Termination Date has occurred without disruption or deterioration except as approved by the Customer and included in the Exit Management Plan (and any such disruption or deterioration will, to the extent reasonably possible, be minimised);
 - 2.1.4 there is a knowledge transfer, as part of which Customer and/or the Replacement Supplier are provided with any information held by the Supplier,

any Affiliate of the Supplier or any subcontractor that is reasonably required to perform the Services following the Termination Date; and

- 2.1.5 the Customer is able, at its option, to receive the Services independent of Supplier following the Termination Date.
- 2.2 This Schedule sets out the principles of the exit and service transfer arrangements that are intended to achieve such orderly transition and which shall form the basis of the Exit Management Plan.
- 2.3 For the avoidance of doubt, the Supplier shall be responsible for the overall management of the exit and service transfer arrangements as further described in Paragraph 3 of this Schedule.
- 2.4 If there is more than one (1) Replacement Supplier then the Termination Services will be performed in respect of each Replacement Supplier.
- 2.5 The Parties acknowledge that the migration of the Services from the Supplier to the Customer and/or its Replacement Supplier may be phased, such that certain of the Services are handed over before others and that the Charges shall be adjusted in accordance with the Change Control Procedure to reflect any reduction in the Services provided by the Supplier.
- 2.6 The Supplier will reasonably cooperate with (and procure that its subcontractors cooperate with) the Customer and/or the Replacement Supplier during the Termination Assistance Period and during any re-tendering of the Services.
- 2.7 Customer may insource any element of the Services on expiry or termination, and where the context so requires, references to the Replacement Supplier in this Agreement shall include Customer (or any member of the Customer Group) acting in such a capacity.

3. APPOINTMENT OF EXIT MANAGERS AND MANAGEMENT BY SUPPLIER

- 3.1 Each Party will appoint an exit manager ("**Exit Manager**") and provide written notification of such appointment to the other Party within ten (10) Working Days following service of notice of termination of this Agreement by either Party or, in the case of expiry of this Agreement, no later than 90 days before the due date for expiry of this Agreement (or promptly following Customer's request if earlier). The Supplier's Exit Manager will be responsible for ensuring that Supplier and its employees, agents and subcontractors comply with this Schedule.
- 3.2 The Supplier will ensure that its Exit Manager has the requisite authority to arrange and procure any resources of the Supplier as are reasonably necessary to enable the Supplier to comply with the requirements set out in this Schedule.
- 3.3 The Parties' Exit Managers will liaise with one another in relation to all issues relevant to the termination of this Agreement and all matters connected with this Schedule and each

Party's compliance with it. Issues or disputes arising out of or in connection with this Schedule or the services to be provided pursuant to it which cannot be resolved within five (5) Business Days shall be escalated in accordance with the Dispute Resolution Procedure.

- 3.4 The Exit Managers will meet on a weekly basis (or as otherwise reasonably required by Customer) during the Termination Assistance Period to review the status of the Exit Management Plan.
- 3.5 Supplier will manage the Termination Services in accordance with the Customer's reasonable directions, including:
 - 3.5.1 resolving any incidents or problems arising with respect to the Termination Services;
 - 3.5.2 defining an escalation process, as approved by the Customer (acting reasonably) to be used if there is a failure in any part of the transfer of the relevant Services to the Customer or the Replacement Supplier (as applicable); and
 - 3.5.3 establishing as directed by the Customer (acting reasonably), the necessary communications and interfaces between any of (i) the Supplier and each relevant subcontractor and (ii) the Customer and any Replacement Supplier.
- 3.6 Where requested by the Customer, the Supplier will provide individuals with the required expertise to perform Termination Services who are not currently performing Services.
- 3.7 The Supplier will monitor progress of all tasks and responsibilities in the Exit Management Plan (whether the responsibility of the Supplier, the Customer or any third party) against the Exit Management Plan and promptly escalate to the Customer any failures (or, to the extent known, potential failures) to perform any tasks or responsibilities, including failures by the Customer or a Replacement Supplier.
- 3.8 The Supplier will provide a report to the Customer not less than once a week (or such other period as is agreed between the Parties in writing) during the Termination Assistance Period which:
 - 3.8.1 describes the progress of the Termination Services against the Exit Management Plan; and
 - 3.8.2 identifies any risks encountered during the performance of the Termination Services and propose steps to mitigate such risks.
- 3.9 The Customer may, during the Termination Assistance Period, appoint a Replacement Supplier to operationally manage the Supplier in the performance of the Termination Services and any Services. The Supplier will follow the directions of such Replacement Supplier only to the extent that the Customer has authorised the Replacement Supplier to give such directions and notified Supplier of such authorisation in writing.

4. OBLIGATIONS TO ASSIST ON RE-TENDERING OF SERVICES

- 4.1 During the term of this Agreement, the Supplier shall, on reasonable notice, provide to the Customer and/or to its potential Replacement Supplier, the following material and information in order to facilitate the preparation by the Customer of any invitation to tender and/or to facilitate any potential Replacement Supplier undertaking due diligence:
- 4.1.1 details of the Service(s) including any information, reports and data for inclusion in the Customer's requests for information and requests for proposals;
 - 4.1.2 details of the Customer equipment, their condition and physical location;
 - 4.1.3 an inventory of Customer Data in Supplier's possession or control; and
 - 4.1.4 all information relating to Supplier Personnel required to be provided by the Supplier under this Agreement.
- 4.2 In addition, the Supplier shall:
- 4.2.1 answer questions raised by any potential Replacement Supplier; and
 - 4.2.2 provide reasonable access to Supplier Personnel to enable any potential Replacement Supplier to perform reasonable due diligence in respect of the relevant Services and provided that it does not materially disrupt Service performance.
- 4.3 The tender/bid assistance to be performed pursuant to this Paragraph 4 will:
- 4.3.1 be at least to the level that would be required for reasonably skilled and experienced third party service providers to:
 - (a) prepare an informed, non-qualified offer for the relevant replacement Services; and
 - (b) not be disadvantaged compared to the Supplier (if the Supplier is invited to participate) in respect of access to information; and
 - 4.3.2 in any event, be no less than the co-operation and assistance provided by Customer to the Supplier prior to the Effective Date.

5. EXIT MANAGEMENT PLAN

- 5.1 The Supplier shall, within three (3) months after the Effective Date, produce a draft Exit Management Plan based on the principles set out in this **Schedule** for the orderly transition of the Services from the Supplier to the Customer and/or any Replacement Supplier in the event of any termination or expiry of this Agreement. Within 20 Business Days after the submission of the draft Exit Management Plan, the Parties shall meet and use all reasonable endeavours to agree the contents of such draft, based on the principles set out in this **Schedule**. If the Parties are unable to agree the contents of the Exit

Management Plan within that 20 Business Day period, the principles set out in this **Schedule** shall apply and either Party may refer the Dispute for resolution in accordance with the Dispute Resolution Procedure.

- 5.2 The Supplier shall update the Exit Management Plan no less than once during each year of the term of this Agreement and following any material changes to the scope of the Services to reflect changes in the Services and shall keep the Exit Management Plan under continuous review during the term of this Agreement. Following each update, the Supplier shall submit the revised Exit Management Plan to Customer for review.
- 5.3 Within ten (10) Business Days after the submission of the revised Exit Management Plan, the Parties shall meet and use all reasonable endeavours to agree the contents of the revised Exit Management Plan, based on the principles set out in this Schedule and the changes that have occurred in the Services since the Exit Management Plan was last agreed. If the Parties are unable to agree the contents of the revised Exit Management Plan within such ten (10) Business Day period, the previous version shall continue to apply and either Party may refer the matter for resolution in accordance with the Dispute Resolution Procedure.
- 5.4 In addition, 30 days after service of a notice of termination by either Party, the Supplier shall update the Exit Management Plan into a final form that could be implemented immediately and in doing so, provide as much detail as is appropriate given the nature of the termination or expiry and the timing of termination, so that such Exit Management Plan can be submitted to the Customer for review and approval. The Parties shall meet and, acting in good faith, use all reasonable endeavours to agree the contents of such Exit Management Plan. Until the agreement of the updated Exit Management Plan, the Supplier shall provide termination assistance in accordance with the last-approved version of the Exit Management Plan (insofar as this still applies) to the Customer in good faith.
- 5.5 The Supplier will produce, maintain and update an Exit Management Plan in accordance with the foregoing. The Exit Management Plan will contain, as a minimum:
 - 5.5.1 the management structure to be employed during both transfer and cessation of the Services; and
 - 5.5.2 a detailed description of both the transfer and cessation processes, including a timetable.
- 5.6 In addition, the Exit Management Plan shall:
 - 5.6.1 give effect to any approach to the transfer of the Services specified by the Customer in accordance with Paragraph 6.8 of this **Schedule**;
 - 5.6.2 document how the Services will transfer to Customer and/or the Replacement Supplier, including details of the processes, documentation, data transfer, systems migration, security and the segregation of Customer Data and

technology components from any data or technology components hosted or operated by the Supplier or its subcontractors (where applicable);

- 5.6.3 document the Supplier's back-up arrangements for Customer Data and the applications hosting in or running on Supplier's environments;
- 5.6.4 describe how the transfer of Assets will be achieved;
- 5.6.5 specify the scope of the Termination Services that may be required for the benefit of Customer (including such of the services set out in Paragraph 6 of this **Schedule** as are applicable) and the Termination Assistance Charges that would be payable for the provision of such Termination Services, and detail how such services would be provided (if required), during the Termination Assistance Period;
- 5.6.6 address each of the issues set out in this **Schedule** to facilitate the transition of the Services from Supplier to the Replacement Supplier and/or the Customer with the aim of ensuring that there is no disruption to or degradation of the Services during the Termination Assistance Period;
- 5.6.7 provide a timetable and identify critical issues for providing the Termination Services (including key milestones to track the progress of the transfer of the Services which are the subject of the termination to the Replacement Supplier); and
- 5.6.8 specify reasonable acceptance criteria and testing procedures to confirm whether the transfer of the Services has been successfully completed.

6. TERMINATION SERVICES

- 6.1 During the Termination Assistance Period or such shorter period as the Customer may require, the Supplier will continue to provide (at Customer's sole discretion) some or all of the Services and will, at the request of Customer pursuant to Paragraph 6.4 of this **Schedule**, provide the additional Termination Services.
- 6.2 The Supplier's charges for providing the Termination Services shall be as follows:
 - 6.2.1 for any Termination Services which have agreed Charges set out in Schedule 4 (Charges), the Charges shall be as set out in Schedule 4 (Charges) (which shall not increase for any reason during the Termination Assistance Period); or
 - 6.2.2 for any Termination Services which do not have agreed Charges set out in Schedule 4 (Charges), the Charges shall be as set agreed by the Parties in Exit Management Plan, and unless otherwise requested by the Customer, the costs shall be calculated on a capped price basis, based on the day rates and charging methodology set out in Schedule 4 (Charges)

together being the ("**Termination Assistance Charges**")

- 6.3 If this Agreement has been terminated by Customer pursuant to Section 30 the Termination Services shall be provided at no cost to Customer. Where payable, the Termination Assistance Charges shall be paid to the Supplier in tranches upon and subject to the Supplier achieving certain milestones, as agreed between the Parties and documented in the Exit Management Plan. During the Termination Assistance Period, the Services and the Termination Services will be provided at no detriment to the Service Levels.
- 6.4 The Customer shall be entitled to require the provision of Termination Services by notifying the Supplier in writing ("**Termination Assistance Notice**") at least 30 days prior to the date of termination or expiry of this Agreement or as soon as reasonably practicable following the service by either Party of any notice to terminate. The Termination Assistance Notice shall specify:
- 6.4.1 the date from which Termination Services are required;
 - 6.4.2 the nature of the Termination Services required; and
 - 6.4.3 the period during which it is anticipated that Termination Services will be required ("**Termination Assistance Period**") which shall be at Customer's discretion, subject to a maximum period of 24 months beyond the date of termination or expiry of this Agreement. Within the Termination Assistance Period separate Services may have separate Termination Dates.
- 6.5 The Customer shall, in respect of any or all of the Termination Services, have the option to extend the Termination Assistance Period or a Termination Date beyond the period or date specified in the Termination Assistance Notice provided that such extension shall not cause the Termination Assistance Period or Termination Date to extend more than twenty-four months beyond the date of termination or expiry of this Agreement and provided that it shall notify the Supplier to such effect no later than ten (10) Business Days prior to the date on which the provision of Termination Services is otherwise due to expire. The Customer shall have the right to terminate its requirement for Termination Services (or part thereof) by serving not less than ten (10) Business Days' written notice upon the Supplier to such effect.
- 6.6 For the avoidance of doubt, the Termination Assistance Period may extend beyond the expiry or termination of this Agreement. In such case the terms and conditions of this Agreement shall continue in full force for the purpose of the provision of the Termination Services (and "**term of the Agreement**" shall be construed accordingly).
- 6.7 The Supplier shall comply with all of its obligations contained in the Exit Management Plan and shall, upon termination or expiry of this Agreement, provide to Customer an up-to-date SOPs.

Approach to transfer of the Services

6.8 The Customer will be entitled to determine (and change), in each case following prior consultation with the Supplier, the approach to be taken to the transfer of the relevant Services, and such approach shall be set out in the Exit Management Plan, including:

6.8.1 the Customer may require interim changes to be made to the relevant Services to enable the transfer of those Services to the Replacement Supplier.

Change Freeze

6.9 The Supplier will, unless otherwise approved by the Customer, ensure that no material changes are made (i) in the case of expiry of this Agreement, during the six (6) month period preceding the due date for expiry, and (ii) in all other cases of termination of this Agreement, during the period between service of a notice of termination and the Termination Date to the relevant Services or to the manner in which the Services are provided (including any changes to the technical environment), other than changes necessary for the continued performance of the Services.

Expiry of the Termination Assistance Period

6.10 At the end of the Termination Assistance Period (or earlier if requested by Customer):

6.10.1 the Supplier will transfer all Customer Data to the Customer, in such form as Customer may require;

6.10.2 the Supplier will erase Customer Data from any computers, storage devices and storage media that are to be retained by the Supplier after the end of the Termination Assistance Period;

6.10.3 the Supplier will return to the Customer such of the following as is in the Supplier's possession or control:

(a) all copies of the Customer's software and any other software licensed by the Customer to the Supplier under this Agreement;

(b) all materials created by the Supplier under this Agreement, the Intellectual Property Rights in which are owned by Customer (including the Deliverables);

(c) any equipment which belongs to the Customer; and

(d) any items that have been on-charged to the Customer, such as consumables; and

6.10.4 the Supplier shall vacate all Customer premises.

6.11 Except where this Agreement provides otherwise, all licences, leases and authorisations granted by the Customer to the Supplier in relation to the Services shall be terminated with effect from the end of the Termination Assistance Period.

Termination Services

- 6.12 The Termination Services to be provided by the Supplier shall include such of the following services as the Customer may specify:
- 6.12.1 Continued provision of some or all of the Services (as required by Customer);
 - 6.12.2 notifying its subcontractors of the procedures to be followed during the Termination Assistance Period and providing management to ensure these procedures are followed;
 - 6.12.3 providing assistance and expertise as necessary to examine all operational and business processes (including all supporting documentation) in place and documenting such processes and procedures so that they are appropriate for use by the Customer and/or Replacement Supplier with effect from the Termination Date;
 - 6.12.4 delivering to the Customer's systems support profiles, monitoring or system logs, problem tracking/resolution documentation and status reports all relating to the term of this Agreement, together with such other information and data relating to the Services as the Customer may from time to time request;
 - 6.12.5 providing details of work volumes and staffing requirements over the 12 month period immediately prior to the commencement of the Termination Services;
 - 6.12.6 with respect to work in progress as at the end of the Termination Assistance Period, documenting the current status and stabilising for continuity during transition;
 - 6.12.7 providing the Customer with any problem logs which have not previously been provided to the Customer;
 - 6.12.8 providing assistance and expertise as necessary to examine all governance and reports in place for the provision of the Services;
 - 6.12.9 agreeing with the Customer a handover plan for all security (logical and physical) and business continuity matters and a security management control procedures manual. The Supplier will co-operate fully in the execution of the agreed plan, providing skills and expertise of a suitable standard;
 - 6.12.10 answering all reasonable questions from the Customer and/or its Replacement Supplier regarding the Services;
 - 6.12.11 agreeing with the Customer and/or the Replacement Supplier a plan for the migration of Customer Data to Customer and/or the Replacement Supplier. The Supplier will fully co-operate in the execution of the agreed plan, providing skills and expertise of a reasonably acceptable standard;

- 6.12.12 the provision of access to the Customer 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 Services to the Customer and/or the Replacement Supplier:
- (a) to information and documentation relating to the Services that is in the possession or control of the Supplier or its subcontractors (and Supplier agrees and shall 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
 - (b) following reasonable notice and during the Supplier's normal business hours, to members of Supplier Personnel who have been involved in the provision or management of the Services and who are still employed or engaged by Supplier or its subcontractors; and
 - (c) the provision of such other information, assistance and co-operation as Customer may reasonably require to facilitate the smooth migration of the Services from the Supplier to the Customer and/or any Replacement Supplier.

7. KNOWLEDGE TRANSFER

7.1 During the Termination Assistance Period, the Supplier shall:

- 7.1.1 transfer all training material and provide appropriate training to the Customer and/or Replacement Supplier staff responsible for internal training in connection with the provision of the Services;
- 7.1.2 provide for transfer to the Customer and/or the Replacement Supplier of all knowledge reasonably required for the provision of the Services which may, as appropriate, include information, records and documents;
- 7.1.3 provide the Customer and/or Replacement Supplier with access to such members of the Supplier Personnel as have been involved in the design, development, provision or management of the Services and who are still employed or engaged by the Supplier or its subcontractors and permit Replacement Supplier personnel for reasonable periods during the Termination Assistance Period to work alongside Supplier Personnel on a collaborative basis, to shadow their role and enable knowledge transfer;
- 7.1.4 facilitate the transfer of knowledge from the Supplier to the Customer and/or its Replacement Supplier, including by providing a detailed explanation of the procedures, standards and operations used to provide the Services, the change management process and other standards and procedures to the operations personnel of the Customer and/or the Replacement Supplier; and

- 7.1.5 answer questions in respect of information provided pursuant to any of the terms of this **Schedule** or the Exit Management Plan.
- 7.2 The information which Supplier shall provide to Customer and/or its Replacement Supplier pursuant to Paragraph 7.1 of this **Schedule** will include:
 - 7.2.1 copies of up-to-date procedures and operations manuals (including the SOPs);
 - 7.2.2 product information;
 - 7.2.3 agreements with third party suppliers of goods and services which are to be transferred to the Customer;
 - 7.2.4 key support contact details for third party suppliers and personnel under contracts which are to be assigned or novated to the Customer pursuant to this Schedule;
 - 7.2.5 information regarding any unresolved faults in progress at the commencement of the Termination Assistance Period as well as those expected to be in progress at the end of the Termination Assistance Period;
 - 7.2.6 details of physical and logical security processes and tools which will be available to Customer; and
 - 7.2.7 any relevant interface information.

SCHEDULE 16

BUSINESS CONTINUITY

1. DEFINITIONS

Business Continuity Management or Business Continuity (BC) means the effective management of business continuity including being prepared to identify and defend the Supplier and the Customer's business against a range of potential risks and having a framework in place to be able to rebuild and continue providing the Services to the Customer after a Crisis;

Business Continuity Plan (BCP) means the clearly defined and documented plan setting out the Supplier's Business Continuity obligations as further defined in this Schedule 16 (Business Continuity and Disaster Recovery);

Crisis means a significant incident, disaster, emergency or any other event or potential event (including an Event of Force Majeure) which will have, or is reasonably likely to have, a material and adverse effect on the ability of Supplier or Subcontractors to deliver, or the Customer or any of its customers to receive, the Services (in whole or in part);

Disaster Recovery (DR) means the recovery of and the ability to rebuild the Supplier's business after a Crisis;

Disaster Recovery Plan means the clearly defined and documented plan setting out the Supplier's Disaster Recovery obligations for the recovery of all business and IT operations and key processes directly or indirectly engaged in providing the Services as further defined in this Schedule 16 (Business Continuity);

RPO or Recovery Point Objective means the period of time prior to the time of the Crisis or incident to which the Supplier may look to obtain latest available Customer Data to be used for the purposes of recovery of the Services; and

RTO or Recovery Time Objective means the period of time from the time of the Crisis or incident within which the Supplier shall fully recover the Services.

2. INTRODUCTION

2.1 Purpose

This document lists the procedures to ensure business continuity of the operations/services/technology in the event of a disaster. Following are the objectives of Business continuity plan

- 2.1.1 To ensure that maximum possible service levels are maintained in the event of a disaster.
- 2.1.2 To ensure that recovery from the interruption or disaster is quick to normalize the business operations.
- 2.1.3 To minimize the likelihood and business impact in the event of a disaster.
- 2.1.4 Identify the methods used by Supplier to implement a Business Continuity and Disaster Recovery program.

2.2 Scope

All service elements stated in Schedule "Services" are covered under BC/DR Plan.

For all Customer Technology which are hosted and managed by Customer, related BC/DR Plan, Supplier relies on Customer.

All business functions that form part of the Services being provided by Supplier are covered under this BC/DR Plan. The list of business functions includes (but is not limited to):

- Demand Management & Category Management
- E2E Sourcing Project Management
- Sourcing Process Support
- E2E Contract Management
- Contracting Process Support
- Strategy & Program Delivery
- Tail Spend Management
- Supplier Relationship Management
- Any additional Service included in scope through the Change Control Process

2.3 Assumption

For all Customer Business applications which are hosted and managed by Customer, related Disaster Recovery requirements, Supplier relies on Customer.

3. BUSINESS CONTINUITY PLAN (BCP)

The Business Continuity program is managed, owned, and operated by the Business Continuity Organization (BCO) which comprises of five layers and defined roles and responsibilities. All then current plans shall be provided to Customer on request.

3.1 Business Continuity Management team

The BCM Team is responsible for ensuring the risks are assessed, Business Continuity and Disaster Recovery plans are established, documented, validated, and approved. The BCM Team is also responsible for the administration and execution of the relevant continuity plans based on the interruption/disaster type. The Global Leadership Team works closely with the BCM Team in case of a Disaster (as compared to a limited interruption of the operations).

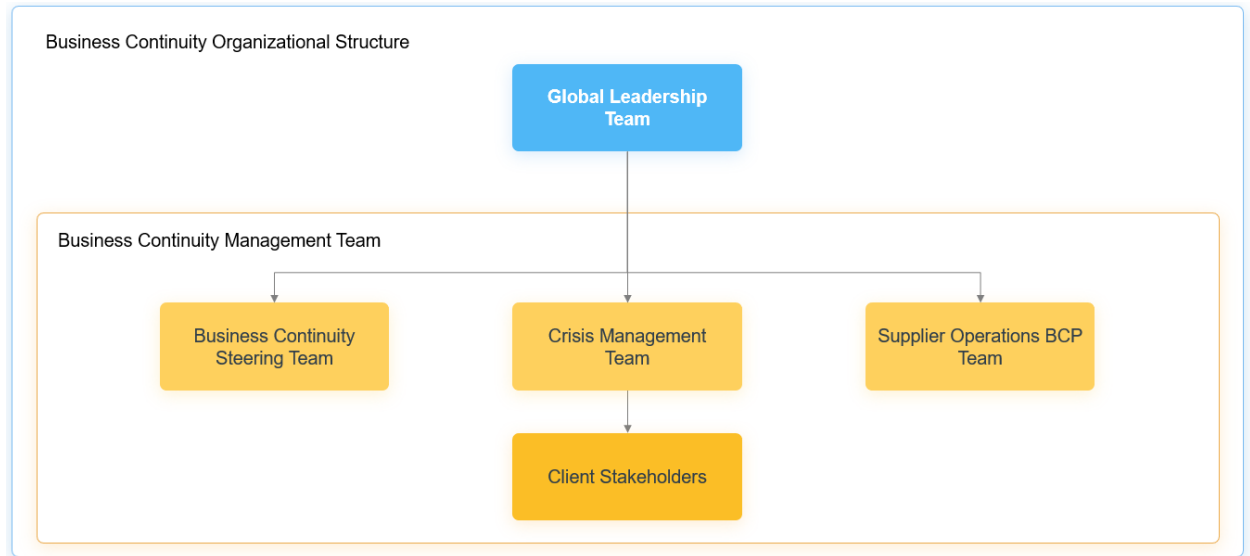


Figure 1 Business Continuity Organization Structure

The BCM team members' roles and responsibilities are as follows:

Role	Who is it?
Business Continuity (BC) Steering Team	This team comprises of the regional Supplier leaders who get together to make decisions on the next steps in case of a BC event. This team is responsible for ownership and oversight of the recovery options, in the event of a disaster. The team consists of members from key departments who are essential for the successful deployment of the BCP plan
Crisis Management Team	The Crisis Management team comprises of the leaders from Information security, Business Continuity team, Facilities team, Transport team, Human resource team, Customer support team (CST), Infrastructure and Technology group. This team shall report into the BC steering committee and shall be responsible for executing the business continuity plans decided by BC steering committee. This team shall be also responsible for timely reporting to the BC steering committee and updating the stakeholders about the status.
Supplier Operations BCP Team	This includes the identified members from Supplier Operations Team. This team is responsible for delivering the services and thus execution of the recovery strategy based on the inputs from the BCP Steering Team. This team also communicates with Customer Contacts for sharing timely updated.
Customer Contacts	This team comprises of identified personnel from Customer. Supplier Customer operations team shall inform the Customer contacts about the Business Continuity scenario.

3.2 Business Continuity Plan Design

3.2.1 Identification of Critical Services and Resources

Supplier Operations Team identifies the list of critical services and resources supporting those services which should be delivered during an event of a disaster. The list of Critical services is derived either from the Contract or after obtaining sign-off from the client.

3.2.2 Determination of Recovery Time Objective (RTO) and Recovery Point Objective (RPO)

- RTO is as follows for the various Service Elements:
 - Demand Management & Category Management – 6 Hours
 - E2E Sourcing Project Management – 6 Hours
 - Sourcing Process Support – 4 Hours
 - E2E Contract Management – 6 Hours
 - Contracting Process Support – 4 Hours
 - Strategy & Program Delivery – 2 Hours
 - Tail Spend Management – 6 Hours
 - Supplier Relationship Management – 6 Hours
 - Others - 8 hours
- RPO shall be applicable only if Customer uses GEP SMART platform. RPO remains consistent for 1 hour

3.2.3 Design of Recovery Strategies

Recovery strategies are defined based on critical services, resources, location of critical services and possible disaster scenarios. A collaborative decision is taken amongst the Business Continuity Management Team to understand and narrow down to realistic recovery strategies.

In an event of a disaster, the BC Steering Team and Crisis Management team unite on a "Business Continuity Call Bridge" to understand the impact of a disaster and determine optimum recovery strategies. The best-suited recovery action is hence deployed.

3.2.4 Documentation of Response and Transition to BAU

The transition to service resumption depends on the severity of the disaster and the extent of its impact. The onus rests on the Supplier BCP Operations Team, Crisis Management Team and BC Steering Team, to adjudge the readiness of the organization to transition from its downsized operations (continuity) to full-fledged resumption.

During a disaster, Supplier shall record information received, decisions made, and the outcomes as part of the Incident Management Document.

3.3 Disaster Management Framework

Supplier is committed to preventing events of interruptions and disasters from occurring wherever possible. However, in the event of an interruption or disaster, the BCP which is developed and maintained as per the below depicted framework which shall ensure the objectives of the BCP can be achieved.

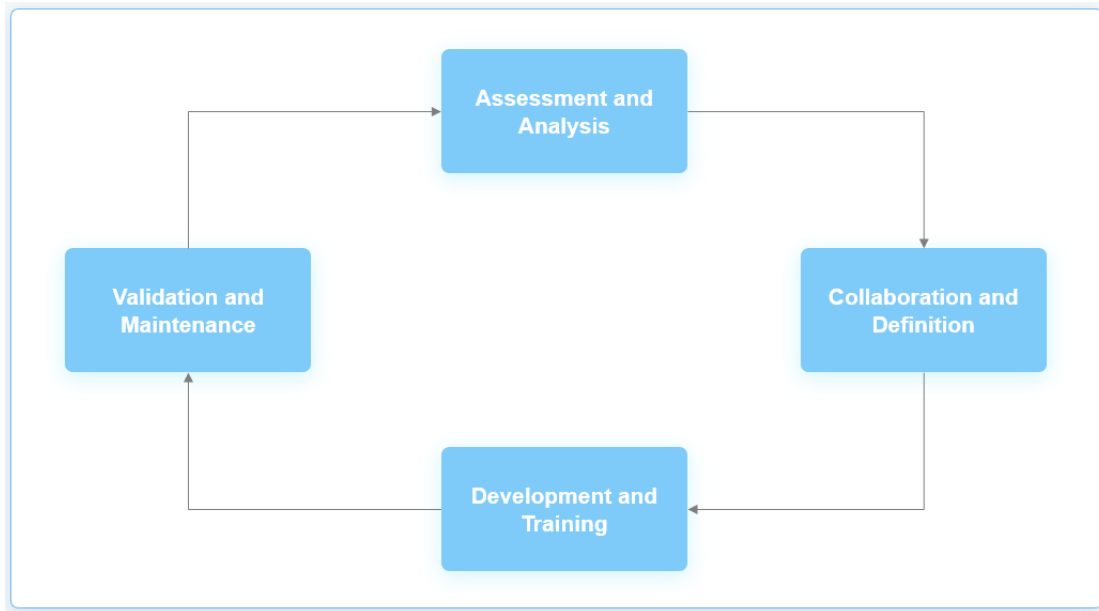


Figure 2 Disaster Management Framework

3.3.1 Assessment & Analysis

Business processes are assessed to identify the critical success paths that are necessary to ensure the operational continuity. Based on the assessment, the critical success paths are further analysed to identify points of failures, probability of the failures, the associated risks, and the business impacts.

The result of this phase is a well-defined list of events ("Events") that pose risk to the Business Continuity along with the likelihood of occurrence and the corresponding business impact.

3.3.2 Collaboration & Definition

Based on the results of the previous phase, the Functional Heads of various services/business processes (that are delivered through the center) collaboratively define the Business Continuity requirements along with the priorities corresponding to each service/business process against each of the Event.

The result of this phase is a well-defined set of business continuity requirements and priorities related to various services provided by the delivery centre.

3.3.3 Development & Training

Development of strategies and plans to ensure the Business Continuity is based on the business continuity requirements and priorities that are defined from the previous phase.

The strategies developed are also reviewed and approved to ensure that the necessary redundancies related to infrastructure/facilities are cost effective. The planned infrastructure/facility redundancies are implemented to be used in the event of a disaster.

A Business Continuity Plan (BCP) that lists the plan of action corresponding to each Event is documented. The BCP shall contain clear actions that can be executed to ensure recovery from the Event and Business Continuity.

Following the development and documentation of the BCP, the teams are trained (planned annually and during the new employee orientation). The trainings/awareness sessions are also conducted as and when there are changes to the BCP.

3.3.4 Validation & Maintenance

Each of the BCPs is planned to be validated annually to ensure the feasibility of execution to achieve the Business Continuity objectives.

Validation of Awareness & Readiness: Team's awareness and readiness to initiate and execute a BCP is validated through an actual Disaster Recovery (i.e., Stress Test) and Tabletop exercises. It is during these validations, the readiness and awareness to execute the BC plan and the effectiveness of the documented plan can be measured. Typically, the Business Continuity objectives are measured in terms of the recovery time for each of the affected service/process.

An effective BCP requires consistent maintenance, testing, and updates. Due to the changing nature of operations, technology, risks, infrastructure, and the skill sets necessary to maintain operations, a program for keeping the BCP and related programs up to date is crucial. At Supplier, the BCM Team is responsible for the continuous maintenance of the BCP.

3.4 Disruption scenarios envisaged

The possible disruption scenarios are described, as follows:

- (a) Loss of facility (office premise not available): If a facility is damaged, inaccessible, or unavailable for use for any reason (including inclement weather situations), support the recovery of appropriate, in-scope activities based on approved recovery requirements.
- (b) Loss of People (Disruption to commute): If absenteeism occurs, which may result to staff no-notice due to disruption in commute. Strategy describes the tasks to support the staffing of the most essential departments and activities throughout the course of the incident.
- (c) Loss of technology (Disruption of technology): If there is an interruption of one or more critical IT applications or technologies, this strategy will describe response activities and / or alternate methods of operation (including manual workarounds).

The following table outlines the disruption scenarios for potential risk situations

#	Risk Source	Scenario Applicability for Mumbai & Dalian DCs			
		Office premises not available	Staff not available	Disruptions of Commute	Disruption of technology (localized)
1	Terrorist attacks or bomb blasts				
2	Epidemics, contagious diseases, or other public health issues				
3	Power outage / fluctuation, and failure of backup generators				
4	Floods or water logging				
5	Politically motivated risks, communal tension, or riots				
6	Cyclones or severe storms causing city wide destruction				
7	Tsunamis				
8	Fire - localized or site wide				
9	Cyber-attack or hacking or virus attack				
10	Drinking water contamination				
11	Central air conditioning malfunction				
12	Employee strike or vendor strike (transport or contract staff)				
13	Accidents or mishaps at office locations leading to injury				
14	Staff vehicle accidents (common staff transport)				
15	Mass exodus				
16	Nuclear hazard because nuclear facility within city limits				
17	Earthquakes				
18	Landslides				
19	Vendor unable to provide services				
20	Failure of communication systems or devices				
21	Sabotage				

3.5 Recovery Plan

(a) Initiation of the Disaster Recovery Plan and Client Engagement Model

Supplier has a well-defined process to invoke Disaster Recovery Plans based on pre-defined triggers & interruptions. This not only ensures that

client stakeholders are informed but also engages client Disaster Recovery teams at various stages. The figure below depicts our process to initiate a request for BCP-DRP.

(b) Assessment of Severity Levels

In case of any disaster, the severity levels are assessed based on the business impact due to the disruption of Supplier services. Recovery Time Objective (RTO) and Maximum Tolerable Outage (MTO) for critical client processes are derived based on business impact analysis.

- i. *Recovery time objective*: RTO is defined as the amount of time allowed for the recovery of a business function or resource to a predefined operational level after a disaster occurs.
- ii. *Maximum Tolerable Outage*: MTO is the total time that operation can sustain on the alternate plan.

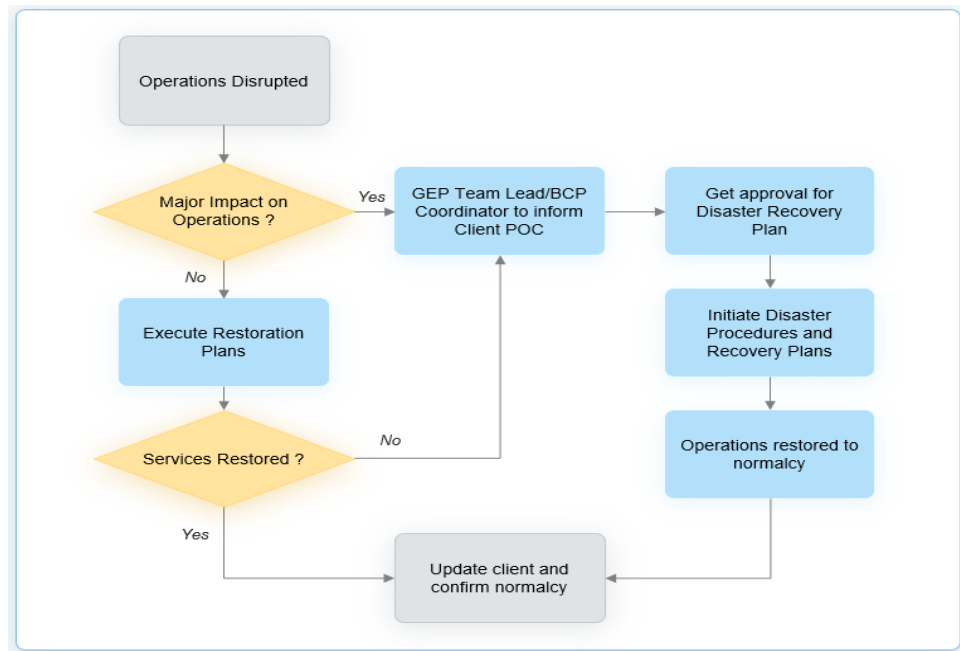


Figure 3BCP-DR Contingency Process

(c) Recovery Plans for Disruption Scenarios

Recovery Plan	Description	Situations Covered	Facilities Required
Plan A - Working from home	Identified staff from the function is asked to work from home	Office premises not available, Staff not available,	Laptops, Internet connection at home, VPN access enabled, Softphone on laptops

Recovery Plan	Description	Situations Covered	Facilities Required
Plan B - Working from closest remote office	Plan B shall be activated if the disruptive situation continues for more than 3 days. Supplier shall decide to move work or staff to the closest remote office	Disruptions of Commute, Disruption of technology	Space availability at the alternate office location for critical functions, PCs/telephone connections, Transport arrangements, Hotel bookings

(d) Pandemic Recovery Plan

The recovery strategy for situations like pandemic will depend on guidance from local or government authorities. The activities undertaken will be aligned with Supplier's BCO team consultation and recommendations. Strategies to be used are:

- Moving critical resources to other sites which are not impacted
- Transfer of work to other sites using cross-training
- Ramping up work from home capabilities by deploying additional laptops

There could be situations where stand-by or stand down instructions need to be executed.

- Stand-by involves the identification of mandatory services which need to be kept functional
- Stand down involve ceasing activities that are no longer needed and or stopping the service delivery till the pandemic is arrested

(e) Delivery Center Recovery Plan

Scenarios	Office Premise not available	Disruption of commute	Staff not available	Disruption of communication technology (localized)
Recovery Options				
India Delivery Center Recovery	Staff in the India Office will work from home.	Staff in the India Office will work from home.	Staff from Prague and Hyderabad (India), New Jersey (US), Prague Czech, or Cluj (Romania) Office will deliver critical services.	Staff in the Mumbai Office will work from home.
Indonesia Delivery Center Recovery	Staff in the Indonesia Office will work from home.	Staff in the Indonesia Office will work from home.	Staff from Mumbai Shanghai, Singapore, or Australia Office will deliver critical services.	Staff in the Indonesia Office will work from home.
China Delivery Center Recovery	Staff in the China Office will work from home.	Staff in the China Office will work from home.	Staff from Mumbai Australia, Kuala Lumpur. Singapore or Cluj Office will deliver critical services.	Staff in the China Office will work from home.
Mexico Delivery Center Recovery	Staff in the Mexico Office(s) will work from home.	Staff in the Mexico Office(s) will work from home.	Staff from Brazil, Romania, India Office(s) will deliver critical services in English.	Staff in the Mexico Office(s) will work from home.
Brazil Delivery Center Recovery	Staff in the Brazil Office(s) will work from home.	Staff in the Brazil Office will work from home.	Staff from Mexico, Romania, India Office (s) will deliver critical services.	Staff in the Brazil Office (s) will work from home.
Romania Delivery Center Recovery	Staff in the Romania Office (s) will work from home.	Staff in the Romania Office (s) will work from home.	Staff from Mexico Brazil, India Office(s) will deliver critical services.	Staff in the Romania Office (s) will work from home.

4. NOTIFICATION AND REPORT

Emergency notification service is in place to notify employees in case of emergency. Supplier shall also employ forms of media (i.e., internet, email) to notify employees and provide reporting procedures based on the nature of the event. Supplier shall maintain contact list of all staff to ensure the safety of staff during unfortunate events like bomb blast or the major accident.

4.1 Notification and mobilizing the team

In the case of an event or emergency, Supplier's Business Continuity Management team shall be notified through established channels. The mobilization shall be in accordance

with the defined organizational structure and associated roles and responsibilities.

4.2 Handling Personal Family Notification

Personnel family notification shall be handled by a qualified member of Human Resources, as per the organizational policy.

4.3 Handling Media

Regular updates shall be provided to stakeholders, media, and clients by the PR/Marketing Team Director.

4.4 Event Log and Phase Reporting

In the event of a disaster, a running log of all decisions and actions shall be maintained and it shall be reported to the BC Steering Team, BCM Team, and Global Leadership Team and affected Client Teams.

5. BCP MAINTENANCE PROGRAM

The maintenance program is intended to ensure the BCP is effective in disaster prevention, detection, and recovery management. The program ensures that the BCP is formally tested, trained, and maintained. This program shall further encompass new best practices and methodologies as they become apparent for compliance, technology, systems, personnel, and operational resiliency. The program aids in training, testing, exercising, and maintaining high levels of compliance and viability of Supplier's BCP. Following sub sections provides the details of each element of the maintenance program.

5.1 Planning and Scheduling of Tests

The BCP test planning is based on the Test Planning Flowchart as depicted in Paragraph 5.5 below. The annual testing of BCP is scheduled as per the schedule for functions.

5.2 Conducting tests

The tests that are planned and scheduled are to be conducted based on the BCP Testing template. The BCM Team in coordination with the Functional team lead shall ensure the following points are addressed to ensure an effective test execution:

- Schedule a date and time for test
- Decide on what type of test to employ
- Decide on and secure the resources for testing such as a room, staff etc.
- Document the test plan – use the test plan framework/template
- Execute the test plan
- Document the test results
- Evaluate test plan results
- Resolve issues identified in testing
- Update the business contingency plan if necessary
- Decide whether to retest the updated business contingency plan
- Update the business contingency plan from lessons learned

- Test plan signoff

5.3 Test Evaluation and BCP Revisions

As per the Supplier's BCP Testing framework once the identified BCP is tested, the BCM Team evaluates the test results and identifies any business continuity gaps. The BCM team accordingly sets up a dedicated team (or a person based on the amount of gap) for addressing the gaps and documenting remedial recovery plans. The BCM team reviews the proposed plan and accordingly approves the revision to the BCP document.

5.4 Disaster Recovery

Supplier shall conduct a smart Disaster Recovery test on an annual basis. Business Continuity and Disaster Recovery teams shall plan and conduct the exercise along with the operations and technology teams.

Learnings from the Disaster Recovery exercise shall be incorporated into the further Disaster Recovery plans.

5.5 Test Planning Flowchart

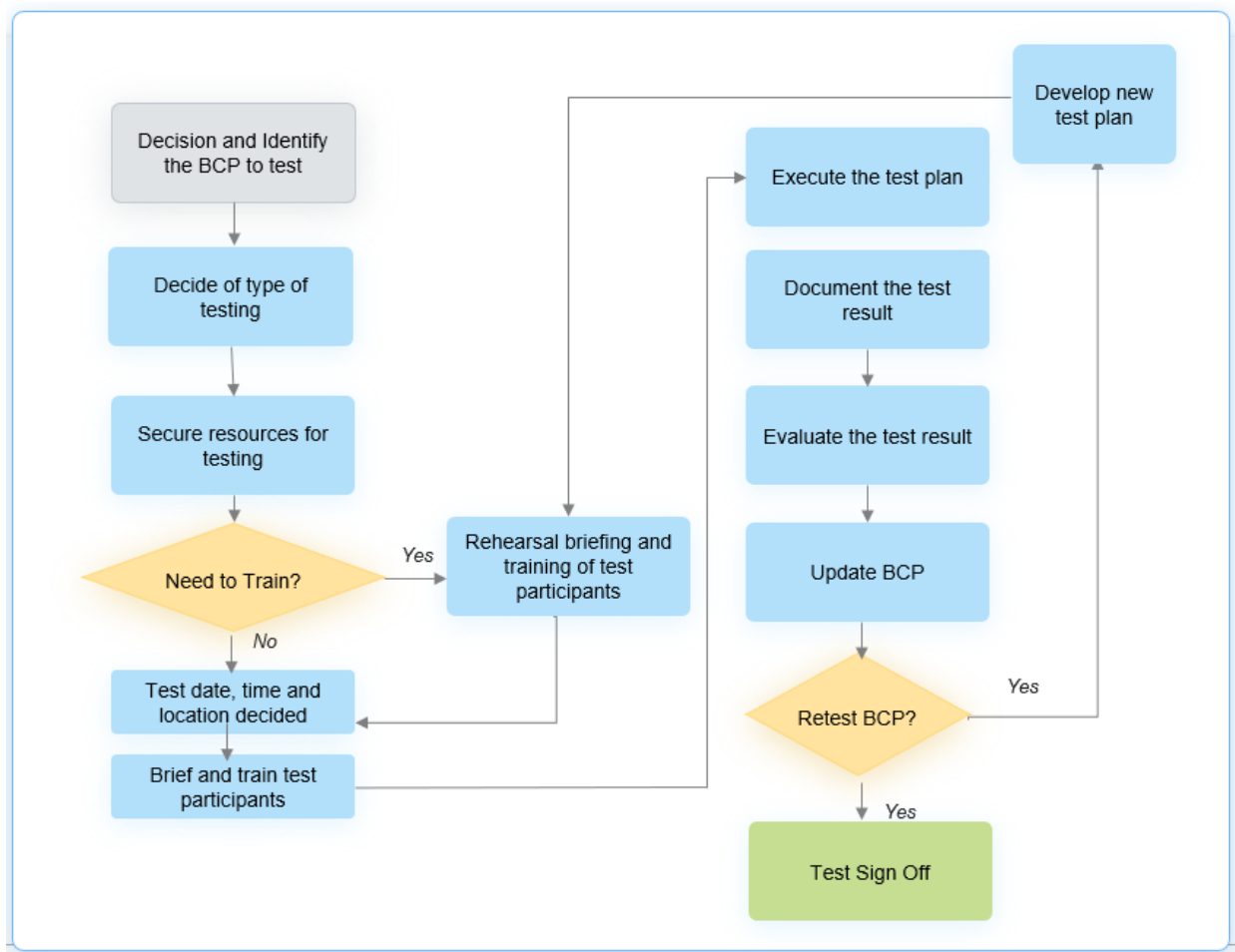


Figure 4 Test Planning Workflow

Schedule 17
CHANGE CONTROL

1. LOCAL DEFINITIONS

For the purposes of this **Schedule**, the following terms shall have the following meanings:

- 1.1 **"Chargeable"** means, in relation to a Change, a Change which is not Non-Chargeable.
- 1.2 **"Charging Principles"** means the principles contained in Appendix B to this **Schedule**.
- 1.3 **"Emergency Change"** has the **meaning** given in Paragraph 5.1 of this **Schedule**.
- 1.4 **"Non-Chargeable"** has the meaning given in Paragraph 2.1 of Appendix B to this **Schedule**.

2. PRINCIPLES

- 2.1 From time to time, the Parties may agree to make a Change. Except as otherwise expressly provided in this Agreement, any Change shall be made pursuant to and in accordance with this **Schedule**.
- 2.2 Neither the Customer nor the Supplier shall unreasonably withhold its agreement to any Change provided that:
 - 2.2.1 the Customer shall not be obliged to agree to any Change resulting in an increase in the Charges or reduction in the Service Levels or reduction in the scope, performance or functionality of the Services or requiring Customer to incur expenditure; and
 - 2.2.2 the Supplier shall not withhold its agreement to any Change requested by the Customer as a result of any change to the Customer Policies, or as a result of any legal or regulatory requirement to which the Customer or any Customer Affiliate is subject.
- 2.3 Until such time as a Change is made in accordance with this **Schedule** the Supplier shall, unless otherwise agreed in writing, continue to supply the Services as if the request or recommendation had not been made.
- 2.4 Any discussions which may take place between the Customer and the Supplier in connection with a request or recommendation before the authorisation of a resultant Change shall be without prejudice to the rights of either Party.
- 2.5 Any work undertaken by the Supplier, its Subcontractors or agents which has not been authorised in advance by a change to the Services and which has not been otherwise agreed in accordance with the provisions of this **Schedule** shall be undertaken entirely at the expense and liability of the Supplier.
- 2.6 All Changes shall be charged in accordance with the Charging Principles.

3. REQUESTS/RECOMMENDATIONS FOR CHANGE

- 3.1 Supplier and the Customer shall discuss any Change proposed by the other Party and such discussion shall result in either:
- 3.1.1 a written request for a Change by the Customer; or
 - 3.1.2 a written recommendation for a Change by the Supplier,
- or, if neither the Customer nor the Supplier should wish to submit a request or recommendation, the proposal for the Change will not proceed.
- 3.2 The Customer may notify the Supplier where it wishes a written request for a Change to be addressed urgently. Such changes shall be Emergency Changes and shall be processed using a Change Control Note in the same way as all other Changes except as otherwise notified by the Customer in accordance with Paragraph 5 of this **Schedule**.
- 3.3 Where the Supplier receives a written request for a Change from the Customer in accordance with Paragraph 3.1.1 of this **Schedule**, the Supplier shall submit a Change Control Note signed by an authorised representative of the Supplier to the Customer within the period agreed between them or, if no such period is agreed, within five (5) Business Days of the date of receipt of such request for a Change from the Customer.
- 3.4 The Supplier shall not refuse to submit a Change Control Note to the Customer in response to the Customer's request for a Change.
- 3.5 A written recommendation for a Change by the Supplier in accordance with Paragraph 3.1.2 of this **Schedule** shall be submitted as a Change Control Note, signed by the Supplier, direct to the Customer at the time of such recommendation. The Customer shall respond to any Change Control Note received from Supplier within ten (10) Business Days of receipt or as otherwise agreed. Such response may include a request for additional information from the Supplier.

4. CHANGE CONTROL NOTES

- 4.1 Each Change Control Note shall be substantially in the form set out in Appendix A to this **Schedule** and shall contain:
- 4.1.1 the title of the Change;
 - 4.1.2 the originator and the date of the request or recommendation for the Change;
 - 4.1.3 the reason for the Change;
 - 4.1.4 the full details of the Change, including any specifications;
 - 4.1.5 the cost, if any, associated with the Change, including any resulting variation to the Charges pursuant to **Schedule 4** (Charges) and calculated in accordance with the Charging Principles;

- 4.1.6 a timetable for implementation, together with any proposals for acceptance of the Change;
 - 4.1.7 an impact analysis of the Change, including the impact on other aspects of the Services, Service Levels and this Agreement; and
 - 4.1.8 the date of expiry of validity of the Change Control Note (which shall not be less than 30 Business Days from the date of its receipt by Customer).
- 4.2 For each Change Control Note submitted, Customer shall, within the period of validity of the relevant Change Control Note as envisaged in Paragraph 4.1.8 of this **Schedule**:
- 4.2.1 allocate a sequential number to the Change Control Note;
 - 4.2.2 evaluate the Change Control Note, and as appropriate either:
 - (a) request further information from Supplier; and/or notify Supplier of any changes it requires to the Change Control Note, in which case the Parties shall meet to discuss, acting reasonably and in good faith, and agree any such changes; or
 - (b) notify Supplier of the rejection of the Change Control Note.
- 4.3 Upon approval of a Change Control Note each Party shall arrange for two (2) copies of the approved Change Control Note to be signed on its behalf.

5. EMERGENCY CHANGE PROCEDURE

- 5.1 The Parties acknowledge that some proposed changes may be required to be implemented faster than envisaged by the above procedure (each an "**Emergency Change**") and in such circumstances the Parties shall use all reasonable endeavours to expedite the processes set out above. If such circumstances arise they shall be set out on the Change Control Note in accordance with Paragraph 4 of this **Schedule**.
- 5.2 In exceptional circumstances where there is not sufficient time available for the Parties to carry out their respective obligations set out in this **Schedule**, the Supplier shall, at the Customer's request, meet Customer's requirements for an Emergency Change. Such request shall be made in writing by a duly authorised representative of the Customer and shall only be implemented when agreed in writing by a duly authorised representative of the Supplier. As soon as is reasonably practicable following such request, the Parties shall complete the Change Control Procedure.

Appendix A: Change Control Note

Change Control Note		Change Control Note Number:
Part A:		
Title (one-line description of change proposal):		
Originator:	Supplier/Customer <i>(delete as appropriate)</i>	
Date Raised:		
Project:		
Required by Date:		
Change Control Note Expiry Date:		
Details of Proposed Change		
<i>(Brief description including reasons for change. Attach any documents, specifications or other supporting information that is available.)</i>		
Delete As Appropriate:		
Chargeable change in accordance with the Charging Principles	Non-Chargeable change in accordance with the Charging Principles	
Non-Emergency change	Emergency Change	

Change Control Note		Change Control Note Number:
Part B		
Description of Change Proposal: <i>(Detailed description of the proposed change, including changes to this Agreement and Schedules, where appropriate.)</i>		
Description of Solution:		
Impact Analysis: <i>(Details of likely impact including but not limited to:</i> <ul style="list-style-type: none"> <i>the personnel to be provided</i> <i>the costs including the payment profile</i> <i>working arrangements</i> <i>documentation to be provided</i> <i>project management</i> <i>Customer obligations</i> <i>)</i>		

<ul style="list-style-type: none"> • the timeline • any other contractual issues • details of any operational service impact) 	
Programme Scope and Quality Impact:	
[Details of any Interfaces Affected:]	
Transition Plan:	
Deliverables:	
Timetable (<i>according to classification of change</i>):	
Charges for Implementation: <i>(The total Charge for the change should be included here unless the change is a Non-Chargeable change. In addition, include a schedule of payments against milestones/deliverables where appropriate.)</i>	
Acceptance Criteria: <i>(Linked to milestones/deliverables)</i>	
Authorisation: The Customer and the Supplier hereby agree that the proposal for change described in Part A be implemented as set out in Part B of this Change Control Note in accordance with the provisions of this Agreement.	
For Supplier	For Customer
Signature	Signature
Name	Name
Title	Title
Date	Date

Appendix B: Charging Principles

1. GENERAL PRINCIPLES

- 1.1 The purpose of this Appendix B is to set out the principles relating to charging for Changes (including Emergency Changes) made in accordance with the Change Control Procedure implemented under this **Schedule**.
- 1.2 In preparing a Change Control Note or in otherwise preparing an Emergency Change, Supplier will comply with the Charging Principles set out in this Appendix B.
- 1.3 All Changes which can be implemented by the Supplier using existing resources used in the provision of the Services will be made at no additional cost to Customer.
- 1.4 If a Change cannot be implemented by the Supplier using existing resources then (unless the change is otherwise Non-Chargeable), that will be a Chargeable Change and the costs of implementing that Change will be set out in full by the Supplier in the Change Control Note.

2. CHANGE PROPOSALS

Non-Chargeable Changes

- 2.1 A Change will be Non-Chargeable if it:
 - 2.1.1 arises as a result of a Supplier Default;
 - 2.1.2 is capable of implementation using the existing resources of the Supplier used in the provision of the Services provided that the implementation of the change does not adversely impact the existing resources' ability to perform their current duties or does not increase the cost of provision of the Services; or
 - 2.1.3 arises as a result of the Supplier complying with any of its obligations set out in this Agreement.
- 2.2 Implementation of a Change which is Non-Chargeable will not result in any charge to the Customer (including any increase in the Charges) or in the Customer making any other payment to the Supplier.

Chargeable Changes

- 2.3 Where a Chargeable Change requires a change to this Agreement, either Party may initiate the request and the Supplier shall submit a Change Control Note in the form set out in Appendix A to this **Schedule** to be reviewed and authorised on behalf of each Party in accordance with this **Schedule**.

- 2.4 Where a Change comprises Chargeable and Non-Chargeable components, no additional Charges or payments will be payable by the Customer in respect of the Non-Chargeable component.
- 2.5 The Supplier will use all reasonable endeavours to provide the Customer with the best possible price for the cost of any Change which is chargeable in accordance with Paragraphs 2.6 to 2.9 of this **Schedule**.
- 2.6 The cost of any additional resources necessary to implement a chargeable Change shall be calculated by Supplier and quoted to the Customer using the Rate Cards set out in Appendix C of Schedule 4 (Charges) to the extent applicable.
- 2.7 Changes to the Charges shall be equitable and proportional to the net material increase or decrease in the Supplier's resources and costs in performing the Services as a result of such Change, with Supplier using all reasonable endeavours to minimise such resources and costs, including redeploying resources that are no longer required.
- 2.8 The Supplier will use all reasonable endeavours to ensure that any other charges payable by Customer for a Chargeable Change are competitive and will be kept to a minimum.
- 2.9 The Supplier and the Customer shall negotiate in good faith to reach agreement on a commercially reasonable allocation of any initial and on-going costs in respect of a Change. When assessing any reasonable costs to be borne by the Customer in respect of the implementation of a Change, the Parties shall take into consideration:
- 2.9.1 any reduction in the cost of providing the Services to the Customer that will result from implementation of the Change;
 - 2.9.2 whether the Change involves the creation of technologies or assets that the Supplier can employ to service other Supplier customers, in which case the Supplier shall apportion (on a pro rata basis) any implementation and development costs it incurs in respect of those technologies or assets between the Customer and all other Supplier customers for which Supplier can implement the relevant Change; and
 - 2.9.3 the extent to which the Change involves changes to any Supplier systems solely to improve the efficiency or reduce the operating costs of the Supplier systems, in which case the Supplier shall bear the implementation and development costs in respect of those changes to the relevant Supplier systems.
- 2.10 In connection with any proposed change to the Charges, the Supplier shall:
- 2.10.1 provide a detailed explanation of why the Supplier believes its resources and costs will be materially impacted by the Change and any applicable supporting documentation;

- 2.10.2 demonstrate each element of the increase and decrease in the Supplier's costs, and resources and costs associated with the Change;
- 2.10.3 provide reasonable evidence that the Supplier is performing efficiently and that resources and costs relating to both the making of the Change and the affected Services will be minimised;
- 2.10.4 at the Customer's request in the case of a proposed increase in the Charges, propose reasonable alternatives which may have an impact on the Services or Service Levels, but which accommodate the Change without increasing the Charges; and
- 2.10.5 at the Customer's request, provide details of how the proposed change to the Charges will apply and, in the case of proposals involving a one-time charge the Supplier will propose an alternative to the one-time charge using adjustments to the existing Charges.

Schedule 18
BENCHMARKING

1. PURPOSE AND FREQUENCY OF BENCHMARK REVIEW

- 1.1 The primary purposes of the benchmarking provisions in this **Schedule** are:
- 1.1.1 to assure the quality of the Services and to ensure that the Governance requirements of **Schedule 9** (Relationship Management and Governance) are in accordance with Good Industry Practice; and
 - 1.1.2 to assure that the Charges are Good Value, as provided in this Schedule.
- 1.2 Commencing after the first anniversary of the Effective Date of the Agreement, the Customer may, by written notice to the Supplier, require a review ("**Benchmark Review**") of any or all of the Services. The Customer shall not be entitled to carry out a Benchmark Review of the same elements of the Services at intervals of less than 12 months after any previous Benchmark Review (or 6 months if immediately prior to a renewal). The Customer will identify the elements of the Services it wishes to be benchmarked ("**Benchmarked Services**") in the request it gives the Supplier under this paragraph.
- 1.3 The Charges may be reduced but not increased under this **Schedule**. The scope of the Services and the Service Levels may not be reduced to a lower standard under this **Schedule**.
- 1.4 For the purposes of this Schedule, "**Good Value**" means:
- 1.4.1 the Charges attributable to a Benchmark Service are, having taken into account the Service Levels, less than or equal to the average charges charged for similar services by those members of the Comparison Group whose charges for such services lie within the top quartile of charges (that is, the quartile which contains the most favourable charges from the Customer's perspective); and
 - 1.4.2 any Service Levels attributable to Benchmark Services are, having taken into account the Charges, equal to or greater than the median service levels for similar services agreed by those members of the Comparison Group whose agreed service levels lie within the top quartile of service levels (that is, the quartile which contains the most favourable service levels from the Customer's perspective).

2. APPOINTMENT OF BENCHMARKER

- 2.1 The Customer, after consultation with the Supplier, shall appoint a benchmarker ("**Benchmark**") to perform the Benchmark Review from the list of agreed potential Benchmarkers below:
- 2.1.1 ISG (Hackett)

- 2.1.2 Forrester
 - 2.1.3 Gartner
- 2.2 Each Party shall pay:
 - 2.2.1 half of the costs and expenses of the Benchmarker and the Benchmark Review;
and
 - 2.2.2 all its own internal costs relating to the Benchmark Review.

3. BENCHMARKING PROCESS

- 3.1 The Customer shall require the Benchmarker to produce, and to send to each Party for approval, a draft plan for the Benchmark Review within ten (10) days after the date of its appointment, or such longer period as the Benchmarker shall reasonably request. The plan must include:
 - 3.1.1 a proposed timetable for the Benchmark Review;
 - 3.1.2 a description of the information that the Benchmarker requires each Party to provide;
 - 3.1.3 a description of the benchmarking methodology to be used;
 - 3.1.4 a description that demonstrates objectively and transparently that the benchmarking methodology to be used is capable of fulfilling the benchmarking objectives;
 - 3.1.5 an estimate of the resources required from each Party to deliver the plan;
 - 3.1.6 a description of how the Benchmarker will scope and identify the organisations against which it will perform the Benchmarking and the reasons for selecting such organisations ("**Comparison Group**"); and
 - 3.1.7 details of any entities which the Benchmarker proposes to include within the Comparison Group.
- 3.2 Each Party must notify the Benchmarker and the other Party within ten (10) days after receiving the draft plan, advising whether it approves the draft plan, or, if it does not approve the draft plan, suggesting amendments to that plan. Neither Party may unreasonably withhold or delay its approval of the draft plan and any suggested amendments must be reasonable.
- 3.3 Where a Party suggests amendments to the draft plan under paragraph 3.2, the Benchmarker must, if it believes the amendments are reasonable, produce an amended draft plan. Paragraph 3.2 shall apply to any amended draft plan.

- 3.4 Failure by a Party to give notice under paragraph 3.2 will be treated as approval of the draft plan by that Party.
- 3.5 Once the plan is approved by both Parties, the Benchmark Review will be carried out in accordance with the plan. Each Party shall provide all the information described in the plan, together with any additional information the Benchmark Reviewer reasonably requests without undue delay. If the Supplier fails to provide any information requested from it by the Benchmark Reviewer as described in the plan such failure shall constitute a material Default for the purposes of Section 28.1.
- 3.6 Each Party shall co-operate fully with the Benchmark Reviewer, including providing access to records, technical documentation, premises, equipment, systems and personnel at times as the Benchmark Reviewer may reasonably request, provided that the Benchmark Reviewer shall be instructed to minimise any disruption to the Services.

4. SUPPLIER AND CUSTOMER RESPONSIBILITIES

- 4.1 The Supplier and the Customer shall, in connection with the Benchmark Review, each:
- 4.1.1 authorise and appoint its service delivery manager (or another designated individual with the necessary authority) to act as a single point of contact for the Benchmarking Advisor and the other Party with respect to activities associated with the Benchmark Review;
 - 4.1.2 provide all information, including full and accurate data requested by the Benchmark Reviewer in connection with and relevant to the Benchmark Review;
 - 4.1.3 ensure the attendance by appropriate personnel at workshops/review meetings/presentations, and similar;
 - 4.1.4 provide adequate staffing to facilitate the Benchmark Reviewer in carrying out the Benchmark Review and completing the Benchmarking Report; and
 - 4.1.5 carry out with promptness and diligence any actions that are necessary or appropriate to facilitate the Benchmark Reviewer in carrying out the Benchmark Review and completing the Benchmarking Report.
- 4.2 Each Party shall procure that all the information described in the plan approved under Paragraph 3.1 or produced by the Benchmark Reviewer pursuant to Paragraph 3.3, together with any additional information reasonably required by the Benchmark Reviewer in the discharge of his functions is provided to the Benchmark Reviewer without undue delay.
- 4.3 Each Party shall co-operate fully with the Benchmark Reviewer, including by providing access to records, technical documentation, premises, equipment, systems and personnel and assistance and information regarding relevant services supplied by and/or to third parties. The Parties shall co-operate in good faith with the Benchmark Reviewer.

- 4.4 Either Party may provide additional material to the Benchmark Advisor to assist the Benchmark Advisor in conducting the Benchmark Review.

5. **BENCHMARKER'S REPORT**

- 5.1 The Benchmarker shall be required to prepare a report ("**Benchmarking Report**") setting out its conclusions and deliver it simultaneously to both Parties, at the time specified in the plan approved under Paragraph 3 of this **Schedule**, setting out its findings. The Benchmarker shall be required to ensure that those findings:
- 5.1.1 where applicable include a finding as to whether or not each Benchmarked Service is or whether the Benchmarked Services as a whole are, (or both) Good Value;
 - 5.1.2 include findings as appropriate regarding the quality and competitiveness or otherwise of the Benchmarked Service; and
 - 5.1.3 if any Benchmarked Service is not Good Value, or the Benchmarked Services as a whole are not Good Value (or both) or otherwise do not fulfil the requirements of the Benchmark Review, specify changes to the Services, Charges or Service Levels that would be required to make that Benchmarked Service or those Benchmarked Services as a whole fulfil the requirements of the Benchmark Review.
 - 5.1.4 Thereafter, Supplier shall have an opportunity to respond to the Benchmarker's Report and propose a plan to address the results as they relate to either improvement of performance or reduction in the charges, as applicable.
- 5.2 The Benchmarker shall act as an expert and not as an arbitrator.
- 5.3 Benchmark Reviews shall not result in any increase to the Charges or any decrease in the performance of any Services or Service Levels during the period of the review or otherwise.
- 5.4 If the Benchmarking Report states that any Benchmarked Service is not Good Value, or that the Benchmarked Services as a whole are not Good Value or do not otherwise fulfil the requirements of the Benchmark Review, (or any of them) then the Supplier shall (subject to the Escalation Procedure) implement the changes, including any changes to the Services, Charges and Service Levels, set out in the Benchmarking Report as soon as reasonably practicable within a timescale agreed with the Customer but in any event within no more than 1 (one) month of the date of the Benchmarking Report.
- 5.5 Without prejudice to the Customer's other rights and remedies, the Customer shall be entitled to withhold payment of any invoiced amount to the extent it exceeds the amount chargeable pursuant to this Paragraph 5.5 and 5.6 below.

- 5.6 Where any reduction is to be made to the Charges, such reduction shall be applied retrospectively from the date of the relevant Benchmarking Notice, and the Supplier shall reimburse to the Customer any excess Charges which have been paid by Customer from that date.

Schedule 19
LOCAL AGREEMENTS

1. BACKGROUND

- 1.1 As at the Amendment Effective Date the Parties have agreed to Services being provided to all Regions within scope either under one the Agreement or under a Local Agreement (if required by local law). Local Agreements will be established either by Purchase Order or Local Services Agreement (if required). The First Local Agreement has been executed and is in force as at the Amendment Effective Date. If required by the Customer the Services may be provided to one or more Regions under a Local Agreement ("Local Delivery"). Therefore, the Parties have agreed to establish a structure to use in such Local Delivery cases that allows the Services to be delivered to the Region and paid for by the Region, but (subject to mandatory local law) which allows all Services under this Agreement to continue to be governed and run centrally to ensure the Services are delivered consistently and to a high standard globally. The charges payable under all Local Agreements shall in no circumstances exceed the Charges that would have been payable if Customer were solely responsible for paying the Charges under this Agreement.
- 1.2 In the event of Local Delivery being required pursuant to paragraph 1.1 above the Agreement should be interpreted in accordance with this Schedule 19 (Local Agreements) and the above Paragraph setting out the intention of the Parties, and the Parties (acting reasonably and in good faith) shall (and shall procure their Group Members) comply with the intention of the Parties.
- 1.3 In the event of a conflict between this Schedule 19 (Local Agreements) and any other provision of this Agreement, the Local Agreement shall prevail.

2. LOCAL AGREEMENTS

In the event of Local Delivery being required and established under a Local Agreement the following paragraphs 2.1 to 2.29 shall apply except to the extent varied by the agreement of the Parties in relation to the specific Local Delivery.

- 2.1 This Agreement shall operate as a framework, allowing members of the Customer Group (including Customer) to enter into Local Agreements with members of the Supplier Group (including Supplier) for the provision of the Services in the Region. Transition Services for the First Local Agreement shall be provided directly under this Agreement and not under the First Local Agreement until the First Local Agreement is signed.
- 2.2 No Services shall be provided and no Charges will be payable directly under this Agreement, and in each case shall be provided under, and contingent on the execution of, Local Agreements. As at the Effective Date the Parties do not intend for any Charges to be payable directly by Customer under this Agreement (as stated in this Paragraph) other than under Project Agreements for Additional Projects, however, if the Parties subsequently decide that certain Charges should be payable directly by Customer under this Agreement then the Parties must refer to this Paragraph 2.2 and explicitly state that Philip Morris Products S.A (not "Customer") shall pay the Charges directly under this Agreement. For the avoidance of doubt, there are no Charges payable (under this Agreement or the Local Agreement) for Transition Services under or in connection with the First Local Agreement.

Any Transition Services required for subsequent Local Agreements shall be provided under, and subject to, those Local Agreements.

2.3 For the avoidance of doubt, if required by Customer:

2.3.1 Customer or another member of the Customer Group (including a Service Centre) may enter into a Local Agreement on behalf of a Region (including where specified in Appendix A); and/or

2.3.2 multiple members of the Customer Group in one Region may require their own Local Agreements.

2.4 Customer shall (or shall procure the relevant members of the Customer Group, as applicable), and Supplier shall (or shall procure the relevant members of the Supplier Group, as applicable) promptly (and in any event within one month of the Transition Notice Date) enter into the first Local Agreement for the Region specified in Appendix A to this Schedule 19 (the "**First Local Agreement**").

2.5 If Supplier does not enter into (or procure that the relevant member of the Supplier Group enters into) a Local Agreement as required by this Schedule or the Customer (acting reasonably) , that shall constitute a material breach of this Agreement.

2.6 In addition to the First Local Agreement, from time to time during the Term, in respect of any member of the Customer Group, the Customer may require Local Services for that member of the Customer Group to be provided pursuant to a Local Agreement that:

2.6.1 is entered into by a member of the Customer Group that is established in the Region in accordance with the requirements of applicable Law; and

2.6.2 is entered into by a member of the Supplier Group that is established in that Region in accordance with the requirements of applicable Law;

2.7 Local Agreements shall:

2.7.1 govern the provision of Local Services to the Service Recipients in that Region (and/or such other Service Recipients as may be listed in Appendix A and/or in the Local Agreement) (the "**Local Service Recipients**");

2.7.2 meet the requirements of applicable Law (if any) to the extent the same are not met pursuant to the provisions in this Agreement (and Supplier shall negotiate in good faith any changes needed to comply with such local requirement of applicable law and if there is a disagreement on any such requirement requested by the Customer then the Parties agree to immediately escalate to the highest level of the Escalation Procedure);

2.7.3 utilise the same service descriptions and pricing for the equivalent Services and Charges that are set out in this Agreement (to the extent applicable in that Region), unless otherwise agreed in accordance with Paragraph 2.12.

2.7.4 facilitate the invoicing and payment of Charges for the applicable Local Services between the applicable member of the Customer Group and the Supplier Group,

within the applicable Region;

2.7.5 incorporate the terms of this Agreement, as described in Paragraph 2.18; and

2.7.6 meet the other requirements of this Paragraph 2.

2.8 The Customer may add or remove Customer Sites within existing Customer Countries covered by a Local Agreement and/or may add or remove Customer Countries to or from an existing Region under a Local Agreement at any time on notice. This may require Supplier agreeing to comply with additional mandatory requirements under the Applicable Law of that new Customer Country or changes to the Services provided as specified by Customer in the notice. All such changes are without additional Charges except as stated in Paragraph 3 of Schedule 4.

2.9 Except where expressly agreed by Customer, the Supplier shall ensure that a member of the Supplier Group located within the Region enters into a Local Agreement where required by Customer.

2.10 Where Customer or a member of the Customer Group notifies Supplier that it requires a new Local Agreement (and provides applicable details of the Local Services required) Supplier shall at no cost to Customer promptly, but in any event within fourteen (14) days of the date of such request, provide a draft Local Agreement to Customer (or its nominated member of the Customer Group) that:

2.10.1 utilises the template Local Agreement set out in Appendix B to this Schedule;
and

2.10.2 meets the requirements of this Paragraph 2,

2.11 Supplier shall make such changes to the draft Local Agreement that Customer (or its nominated member of the Customer Group) reasonably requires.

2.12 Supplier shall ensure that each Local Agreement will contain Services and Charges that align to the applicable provisions of this Agreement, and the Parties shall agree all terms necessary to meet the requirements of applicable Law (if any) to the extent the same are not met pursuant to the provisions in this Agreement provided that Supplier shall not (and shall ensure that the relevant member of the Supplier Group shall not) negotiate new service scope, tax, pricing and/or amendments to such provisions in Agreement for the purpose of this Local Agreement unless:

2.12.1 the Supplier (or the applicable member of Supplier Group) requires certain changes to meet the requirement of applicable Law in the Region; and

2.12.2 the Supplier (or the applicable member of Supplier Group) provided Customer with such detail reasonably required by Customer to validate such requirements;
and

2.12.3 either:

- (a) in respect to the Local Agreements listed in Appendix A, such requirement is listed against the relevant Local Agreement in Appendix A; or
 - (b) in respect of any other Local Agreements not covered by Paragraph 2.12.3(a), Customer confirmed in writing to Supplier that the applicable provisions in this Agreement can be varied to address such requirements in the Region only.
- 2.13 Without prejudice to Supplier's obligations in Paragraph 2.12, and without prejudice to Customer's other rights and remedies, if it is brought to the attention of Supplier and/or Customer that a Local Agreement does not meet the requirements of this Agreement (including Paragraph 2.12) Customer and Supplier shall promptly agree in writing to such variations as required to bring the Local Agreement into alignment with the requirements of this Agreement (including Paragraph 2.12).
- 2.14 Each Local Agreement shall set out the particular scope of the Local Services to be supplied under it to the applicable member of the Customer Group by the applicable member of the Supplier Group and any specific terms and conditions relating to those Local Services (such as provisions to deal with employment and any other applicable Law requirements).
- 2.15 [not used]
- 2.16 [not used]
- 2.17 SERVICE CREDITS: Service Credits shall be applied as a discount against Local Charges under the relevant Local Agreement to which they relate. An alternative mechanism for allocating the discount across the Local Agreement may be determined by Customer from time to time and in Customer's sole discretion (provided that the total Service Credits allocated do not exceed the amount accrued under this Agreement).
- 2.18 Each Local Agreement shall incorporate the terms of this Agreement, save that:
 - 2.18.1 unless the context requires otherwise all references to:
 - (a) "Customer" are to be construed as references to the relevant member of the Customer Group that is a party to the Local Agreement;
 - (b) "Supplier" are to be construed as references to the relevant member of the Supplier Group that is a party to the Local Agreement;
 - (c) a "Party" or "the Parties" are to be construed as references to the relevant member of the Customer Group and the relevant member of the Supplier Group that are parties to the Local Agreement;
 - (d) the "Agreement" shall be deemed to refer to the Local Agreement, incorporating the terms of this Agreement;

- (e) "the Services" and "Service Recipients" shall be deemed to refer to the Services / Local Services provided under the Local Agreement, and as received by the Service Recipients in the Region; and

2.18.2 the following provisions shall be excluded from incorporation in the Local Agreement:

- (a) Term (and for the avoidance of doubt, pursuant to Paragraph 2.22, the Local Agreements shall be co-terminus with this Agreement) ;
- (b) Section 17 and Schedule 9 (Relationship Management and Governance) (as governance shall be managed by Customer and Supplier under this Agreement);
- (c) Section 9 and Schedule 20 (Project Agreements);
- (d) Section 18 and Schedule 18 (Benchmarking) (but for the avoidance of doubt, the Local Charges shall benefit from any change to the Charges required pursuant to a Benchmarking Review conducted under the Agreement (which will automatically apply pursuant to Schedule 18));
- (e) Schedule 19 (Local Agreements) (other than for the interpretation of a Local Agreement i.e. there will not be another level of call off contracts under a Local Agreement);
- (f) any obligation on the Local Customer Affiliate to pay for Charges for Services other than the Local Charges for the Local Services; and
- (g) such other provisions that the context so requires in the context of this Agreement.

2.19 Each Local Agreement shall be a separate and distinct contract between the contracting parties and, except as expressly stated otherwise in this Agreement, shall have no effect on this Agreement.

2.20 Each Local Agreement shall be binding when signed by both of the applicable members of the Customer Group and the Supplier Group.

2.21 Any amendment, variation or modification to this Agreement agreed by Customer and Supplier (or which is otherwise applicable pursuant to the terms of this Agreement) will be incorporated automatically into each Local Agreement, whether such amendment, variation or modification came into effect before or after the effective date of the Local Agreement except to the extent (and only to the extent) such amendment, variation or modification would conflict with a local amendment (agreed in accordance with Paragraph 2.12) agreed in a Local Agreement. For the avoidance of doubt, and without limitation to the generality of the foregoing, this would include a reduction in the Local Charges where

the Charges in this Agreement are reduced (for example following a Benchmarking Review).

2.22 Each Local Agreement shall take effect on the effective date specified in the Local Agreement and shall automatically terminate or expire on such date that this Agreement terminates (for any reason) or expires, as such date is determined in accordance with the terms of this Agreement. For the avoidance of doubt:

2.22.1 if this Agreement is wholly terminated for any reason, the Local Agreement shall also automatically terminate on the same effective date of termination as the Agreement;

2.22.2 if this Agreement is partially terminated for any reason (including by reference to types of service, or relevant territories), the Local Agreements or the relevant parts of them (as applicable) shall also automatically terminate on the same effective date of the partial termination of this Agreement;

2.22.3 the Customer may terminate a Local Agreement for convenience (and such termination shall be subject to those Termination Charges applicable to such termination (or termination in part as the case may be) under this Agreement); and

2.22.4 Local Agreements may only be terminated by Customer and/or Supplier pursuant to the terms of this Agreement.

2.23 The Parties acknowledge and agree that:

2.23.1 neither Customer nor Supplier shall be a party to a Local Agreement unless it is a signatory to it, and no party to a Local Agreement shall be a party to this Agreement unless a signatory to it;

2.23.2 in relation to the provision of the Services, Local Customer Affiliate and Local Supplier Affiliate irrevocably nominate Customer and Supplier (respectively) as their authorised delegate to manage the provision of the Services governed by the Local Agreement, including authorising Customer (on behalf of Local Customer Affiliates) and Supplier (on behalf of Local Supplier Affiliates) to:

- (a) manage the provision of Transition and Transformation Services;
- (b) provide any approval or sign-off required by this Agreement (including as such requirement is incorporated into the Local Agreement);
- (c) exercise any discretion in this Agreement (including as such discretion is incorporated into the Local Agreement);
- (d) agree any Changes to the Services (including the Local Services);
- (e) exercise rights of step-in;

- (f) exercise rights of audit;
- (g) plan and implement business continuity and disaster recovery plans;
- (h) evaluate the provision of the Services (including the Local Services) via the governance forums specified in this Agreement (including as such requirement is incorporated into the Local Agreement); and
- (i) manage disputes arising under or in connection with a Local Agreement, as further described in this Paragraph 2 and the terms of the Local Agreement,

in each case except where agreed otherwise in the Local Agreement in accordance with Paragraph 2.12.

- 2.24 In the event of a conflict between a provision expressly set out in a Local Agreement and a provision of this Agreement incorporated into that Local Agreement by reference, the terms of the Local Agreement shall prevail (to the extent of the conflict only).

Disputes and enforcement

- 2.25 The Customer may on behalf of any member of the Customer Group that is party to a Local Agreement, enforce the Local Agreement on behalf of such Customer Group member and the Local Service Recipients. If the Customer takes action on behalf of such member of the Customer Group in accordance with this Paragraph, the loss suffered by such member of the Customer Group under or in connection with the Local Agreement shall be deemed to be the loss of the Customer. This Paragraph shall not prejudice, limit or restrict the Customer's rights to take action on its own behalf to enforce the Supplier's obligations under this Agreement.

- 2.26 Where Customer is entitled to enforce a Local Agreement on behalf of the applicable member of the Customer Group then, if legal proceedings are to be commenced in order to enforce such obligations or any award made in respect of such obligations, Customer shall use all reasonable endeavours to procure that:

- 2.26.1 Customer brings the legal proceedings in its own name; or
- 2.26.2 if Customer reasonably believes (after taking professional advice) that there is a risk that the enforcement of the claim or any subsequent award or judgment may be prejudiced if proceedings are taken in its sole name, the Customer brings the legal proceedings in the joint names of Customer and the member of the Customer Group; or
- 2.26.3 if Customer reasonably believes (after taking professional advice) that there is a risk that the enforcement of the claim or any subsequent award or judgment may be prejudiced if proceedings are taken in the name of Customer, the member of the Customer Group may bring the legal proceedings in its own name.

- 2.27 The Supplier may on behalf of any member of the Supplier Group that is party to a Local Agreement, enforce the Local Agreement on behalf of such Supplier member. If the Supplier takes action on behalf of such member of the Supplier Group in accordance with this Paragraph, the loss suffered by such member of the Supplier Group under or in connection with the Local Agreement shall be deemed to be the loss of the Supplier.
- 2.28 Where Supplier is entitled to enforce a Local Agreement on behalf of the applicable member of the Supplier Group then, if legal proceedings are to be commenced in order to enforce such obligations or any award made in respect of such obligations, Supplier shall use all reasonable endeavours to procure that:
- 2.28.1 Supplier brings the legal proceedings in its own name; or
- 2.28.2 if Supplier reasonably believes (after taking professional advice) that there is a risk that the enforcement of the claim or any subsequent award or judgment may be prejudiced if proceedings are taken in its sole name, the Supplier brings the legal proceedings in the joint names of Supplier and the member of the Supplier Group; or
- 2.28.3 if Supplier reasonably believes (after taking professional advice) that there is a risk that the enforcement of the claim or any subsequent award or judgment may be prejudiced if proceedings are taken in the name of Supplier, the member of the Supplier Group may bring the legal proceedings in its own name.

Liability

- 2.29 All liability arising under this Agreement and all Local Agreements shall be aggregated for the purpose of determining the Parties liability under any cap on liability. Therefore the Parties agree that for the purpose of interpreting the liability of the Customer (together with all members of the Customer Group) and Supplier (and all members of the Supplier Group) in relation to this Agreement and all Local Agreements (including when interpreting Section 27 of the Agreement and each Local Agreement):
- 2.29.1 all references to the "Agreement" shall include a reference to the Agreement and all Local Agreements;
- 2.29.2 in determining liability under this Agreement and all Local Agreements any reference to fees or charges shall include all Charges paid under this Agreement and all Local Charges paid under all Local Agreements:
- (a) any amounts paid in settlement of any liability pursuant to a Local Agreement by the Supplier (or the applicable member of the Supplier Group) to the Customer (or applicable member of the Customer Group), shall also be counted when interpreting any relevant liability caps under Section 27.3 of the Agreement; and

- (b) any amounts paid in settlement of any liability pursuant to a Local Agreement by the Customer (or the applicable member of the Customer Group) to the Supplier (or applicable member of the Supplier Group) shall also be counted when interpreting any relevant liability caps under Section 27.4 of the Agreement.

Appendix A

First Local Agreement

	PMI contracting entity	PMI contracting entity location (country)	Supplier contracting entity	Supplier contracting entity location (country)	Region name / Customer Countries / Customer Sites	List of Service Recipients	Currency of local billing	Notes
1.	Philip Morris Sampoerna International Service Center (PMSISC)	Indonesia	Legal entity to be established by Supplier prior to the Transition Notice Date.	Indonesia	Region: APAC Customer Countries in scope: Philippines, Hong Kong, Australia, Pakistan, India, Singapore, New Zealand, Bangladesh, Indonesia, Malaysia, Vietnam, Thailand, Japan, South Korea, Taiwan, China	All members of the Customer Group located within the Region, and all Customer Sites located within the Region (or such subset as determined by the Customer)	USD	Local Agreement will be in English and Indonesian language. Required Languages supported under the Local Agreement: English, Urdu, Bangla / Bahasa, Thai, Vietnamese, English /Japanese, Korean, Chinese, English, as further detailed in the Agreement. Supplier must set up a local legal entity in Indonesia prior to the Transition Notice Date so that such entity is capable of signing the First Local Agreement and shall be duly registered in Indonesia for tax purposes to ensure neither Supplier nor Customer incur otherwise recoverable taxes.

Appendix B

Local Agreement Template

LOCAL AGREEMENT

THIS LOCAL AGREEMENT is made on the [●] day of [●] 202[●]

BETWEEN:

1. [INSERT NAME OF CUSTOMER AFFILIATE], a company registered in [insert country of registration], with company number [insert registration number], whose registered office is at [insert registered address/principal place of business] ("Local Customer Affiliate"); and
2. [INSERT NAME OF SUPPLIER AFFILIATE], a company registered in [insert country of registration], with company number [insert registration number], whose registered office is at [insert registered address/principal place of business] ("Local Supplier Affiliate").

BACKGROUND

- (A) Philip Morris Products S.A. of Avenue de Rhodanie 50, 1007 Lausanne, Switzerland ("PMI") and [SUPPLIER] ("Supplier") are parties to a Master Services Agreement (Ref: [●]) dated [●] (the "Agreement").
- (B) The Agreement contemplates that certain Affiliates of Supplier and PMI may enter into Local Agreements for the provision of certain Services in the relevant Region.
- (C) The purpose of this Local Agreement is to set forth the terms and conditions for Local Supplier Affiliate's provision of Services to the Local Customer Affiliate in the Region and with the scope set out in the table below:

Region	[INSERT NAME OF REGION E.G. APAC]
Customer Countries in Region	[INSERT FULL LIST OF IN SCOPE COUNTRIES]
Local Service Recipients in Region	[All members of the Customer Group located within the Region]
Customer Sites in Region	[All Customer Sites located within the Region]

OPERATIVE PROVISIONS

The parties agree as follows:

1. Interpretation

- 1.1 The parties hereby agree that this Local Agreement is entered into under the provisions of the Agreement and, except as provided below, all the terms and conditions of the Agreement are incorporated into this Local Agreement by reference.
- 1.2 In the event and to the extent that any provision of this Local Agreement conflicts with a provision of the Agreement, the provision of this Local Agreement shall prevail to the extent of such conflict or inconsistency.

- 1.3 References to Clauses and Exhibits are, unless otherwise provided, references to clauses and exhibits of this Local Agreement.
- 1.4 For the purposes of this Local Agreement, unless the context requires otherwise references in the Agreement to:
- 1.4.1 "**Customer**" shall be deemed to refer to "**Local Customer Affiliate**";
 - 1.4.2 "**Supplier**" shall be deemed to refer to "**Local Supplier Affiliate**";
 - 1.4.3 "**Region**" means the region (including the Customer Countries, Local Service Recipients and Customer Sites) defined in the table in the Background section above;
 - 1.4.4 a "**Party**" or "**the Parties**" shall be deemed to apply to the Local Customer Affiliate and/or the Local Supplier Affiliate, as applicable;
 - 1.4.5 the "**Agreement**" shall be deemed to refer to this Local Agreement incorporating the terms of the Agreement; and
 - 1.4.6 the "**Services**" and "**Service Recipients**" shall be deemed to refer to the Local Services provided under this Local Agreement, and as received by the Local Service Recipients in the Region.
- 1.5 All capitalized terms used but not defined in this Local Agreement shall have the meanings given to such terms in the Agreement.
- 1.6 The headings, use of bold type and any worked examples provided in this Local Agreement are for convenience only and shall not affect the interpretation of any provision of this Local Agreement.

2. TERM AND TERMINATION

- 2.1 This Local Agreement shall take effect on [XX] ("**Local Agreement Effective Date**") and, unless terminated earlier in accordance with the terms of the Agreement, shall automatically expire on such date that the Agreement expires, as such date is determined in accordance with the terms of the Agreement.
- 2.2 In the event that:
- 2.2.1 the Agreement is wholly terminated for any reason, this Local Agreement shall also automatically terminate on the same effective date of termination as the Agreement.
 - 2.2.2 the Agreement is partially terminated for any reason (including by reference to types of service, or relevant territories), this Local Agreement or the relevant part of it (as applicable) shall also automatically terminate on the same effective date of the partial termination of the Agreement.

- 2.3 The Local Customer Affiliate and Local Supplier Affiliate agree that this Local Agreement may only be terminated on their behalf by PMI and/or Supplier pursuant to the terms of the Agreement.

3. LOCAL SERVICES AND LOCAL CHARGES

- 3.1 For the purposes of this Local Agreement only:

3.1.1 Local Supplier Affiliate agrees to perform in the Region the Services as detailed in the Exhibit A ("**Local Services**").

3.1.2 Local Customer Affiliate shall only pay such Charges that apply to the Local Services, as further described in Exhibit B ("**Local Charges**").

4. LOCAL AGREEMENT PRINCIPLES

- 4.1 The Parties acknowledge and agree that:

4.1.1 Local Services and Local Charges should reference the corresponding service description, tax and pricing details set out in the Agreement, and that neither party has sought to negotiate new pricing and/or amendments to such provisions in the Agreement for the purpose of this Local Agreement unless:

- (a) the Local Supplier Affiliate and/or Supplier required certain changes to meet the requirement of Applicable Law in the Region;
- (b) the Local Supplier Affiliate and/or Supplier provided PMI with such detail reasonably required by PMI to validate such requirements; and
- (c) PMI confirmed in writing to Supplier (in PMI's sole discretion, except where such confirmation is provided by inclusion in Appendix A of Schedule 19 of the Agreement) that the applicable provisions in the Agreement can be varied to address such requirements in the Region only,

4.1.2 where the requirements of Clause 4.1.1 have not been satisfied, the Local Customer Affiliate and the Local Supplier Affiliate shall refer the matter to PMI and Supplier to promptly agree such change to this Local Agreement to give effect to Clause 4.1.1 (and the Local Customer Affiliate and the Local Supplier Affiliate shall be bound by the agreement of PMI and Supplier); and

4.1.3 it is for the benefit of the Local Customer Affiliate that the Services provided to the Customer Group are provided on a consistent basis globally, and therefore it is agreed that the day to day operation and management of this Local Agreement will be managed by PMI on behalf of the Local Customer Affiliate, and by Supplier on behalf of the Local Supplier Affiliate in accordance with the procedures (including governance) set out in the Agreement. The Local Customer Affiliate will escalate any matters relating to this Local Agreement to PMI, and the Local Supplier Affiliate will escalate any matters relating to this

Local Agreement to Supplier. Without limitation Local Customer Affiliate and Local Supplier Affiliate hereby irrevocably nominate PMI and Supplier (respectively) as their authorised delegate to manage the provision of the Local Services, including authorising PMI (on behalf of Local Customer Affiliates) and Supplier (on behalf of Local Supplier Affiliates) to:

- (a) manage the provision of Transition and Transformation Services;
- (b) provide any approval or sign-off required by this Local Agreement;
- (c) exercise any discretion under this Local Agreement;
- (d) exercise rights of step-in;
- (e) exercise rights of audit;
- (f) plan and implement business continuity and disaster recovery plans;
- (g) Changes the Local Services;
- (h) evaluate the provision of the Local Services via the governance forums specified in the Agreement; and
- (i) manage disputes arising under or in connection with this Local Agreement, as further described in Clause 7,

in each case except where agreed otherwise in this Local Agreement in accordance with Clause 4.1.1.

4.1.4 any amendment, variation or modification to the Agreement agreed by PMI and Supplier (or which is otherwise applicable pursuant to the terms of the Agreement) will be incorporated automatically into this Local Agreement, whether such amendment, variation or modification came into effect before or after the Local Agreement Effective Date except to the extent (and only to the extent) such amendment, variation or modification would conflict with a local amendment (agreed in accordance with Clause 4.1.1) in this Local Agreement.

4.2 The Local Supplier Affiliate shall ensure the provision of Services under this Local Agreement are at all times performed in accordance with the latest terms of the Agreement as agreed between Supplier and PMI.

5. LOCAL VARIATIONS TO THE AGREEMENT

5.1 The following provisions of the Agreement shall be excluded from incorporation into this Local Agreement:

5.1.1 Term;

5.1.2 Section 17 and Schedule 9 (Relationship Management and Governance) (as governance shall be managed by Customer and Supplier under the Agreement);

- 5.1.3 Section 9 and Schedule 20 (Project Agreements);
 - 5.1.4 Section 18 and Schedule 18 (Benchmarking) (but for the avoidance of doubt, the Local Charges shall benefit from any change to the Charges required pursuant to a Benchmarking Review conducted under the Agreement (which will automatically apply pursuant to Schedule 18 of the Agreement));
 - 5.1.5 Schedule 19 (Local Agreements) (other than for the interpretation of this Local Agreement i.e. there will not be another level of call off contracts under this Local Agreement);
 - 5.1.6 any obligation on the Local Customer Affiliate to pay for Charges for Services other than the Local Charges for the Local Services; and
 - 5.1.7 such other provisions that the context so requires in the context of this Agreement.
- 5.2 The following additional provisions shall also apply to this Local Agreement:
- 5.2.1 [Local law requirements, if any]
- 5.3 While Service Levels will apply to the Local Services in accordance with the terms of the Agreement, any Service Credits that may from time to time arise in respect of the same shall be payable as specified in Paragraph 2.17 of Schedule 19 (Local Agreements).

6. LANGUAGE

- 6.1 The Parties have agreed that this Local Agreement and all documents relating to this Local Agreement, be written in the English language. Where required by Applicable Law, this Local Agreement shall be translated by the Local Supplier Affiliate into the official language of the Region and promptly provided to the Local Customer Affiliate for its approval. In the event of inconsistencies or conflicts between the translated version and the English version of this Local Agreement, the English version shall prevail, and any translated version shall be interpreted as such.

7. DISPUTES AND JURISDICTION

- 7.1 Any dispute arising under or in connection with this Local Agreement shall be resolved by PMI (on behalf of the Local Customer Affiliate) and by Supplier (on behalf of the Local Supplier Affiliate) in accordance with the applicable dispute resolution procedures set out in the Agreement, and as further described in this Clause.
- 7.2 Save as described in this Clause 7, the Local Customer Affiliate agrees not to sue, bring any proceedings or seek to directly enforce this Local Agreement or non-contractual matters related to it, directly against the Local Supplier Affiliate. The Local Customer Affiliate agrees to transfer any such rights to PMI to be enforced on behalf of the Local Customer Affiliate against Supplier, pursuant to the provisions of the Agreement set out in Paragraph 2.25, 2.26, and 2.29 of Schedule 19 of the Agreement. Any loss suffered by the

Local Customer Affiliate under or in connection with this Local Agreement, and each Local Agreement, shall be deemed to be a loss suffered by PMI and subject to the terms of the Agreement.

- 7.3 Save as described in this Clause 7, the Local Supplier Affiliate agrees not to sue, bring any proceedings or seek to directly enforce this Local Agreement or non-contractual matters related to it, directly against the Local Customer Affiliate. The Local Supplier Affiliate agrees to transfer any such rights to Supplier to be enforced on behalf of the Local Supplier Affiliate against PMI, pursuant to the provisions of the Agreement set out in Paragraph 2.27, 2.28, and 2.29 of Schedule 19 of the Agreement. Any loss suffered by the Local Supplier Affiliate under or in connection with this Local Agreement, and each Local Agreement, shall be deemed to be a loss suffered by Supplier and subject to the terms of the Agreement.
- 7.4 [This Local Agreement shall be governed by and construed in accordance with the laws of Switzerland, without regard to its conflict of laws principles. The United Nations Convention on contracts for the international sale of goods (1980) shall not apply to this Agreement. **[Drafting note: consider if an arbitration / jurisdiction clause is required – this won't be needed if all disputes can be validly assigned to PMI / Supplier for resolution under the MSA as the MSA is subject to arbitration]]**
- 7.5 Notwithstanding the foregoing, if any provision of the Local Agreement is expressly required by the mandatory laws of a country or region and the applicability of such mandatory laws is not subject to a contractual waiver or limitation, the construction, interpretation and performance of such provision will be governed by the internal mandatory laws of such country or region (without reference to choice or conflict of laws).
- 7.6 Local Customer Affiliate and Local Supplier Affiliate agree to take all steps necessary and execute all documents as may be reasonably required to give effect to Clause 7.2 and 7.3 above and to enable such claims (or defences) to be conducted or settled by PMI and Supplier.
- 7.7 In the event that the transfer to PMI and Supplier in accordance with Clause 7.2 and/or 7.3 (as applicable) is either not legally effective or the relevant grounds in Paragraph 2.26 or Paragraph 2.28 of Schedule 19 (Local Agreements) apply, then any dispute between the Local Customer Affiliate and the Local Supplier Affiliate may be brought between the Parties directly, however the Parties agree that:
- 7.7.1 in the case of the Local Supplier Affiliate, Supplier will be appointed as an authorised representative with the necessary authority to act on the Local Supplier Affiliate's behalf in relation to the conduct of or defence of any claim in relation to or in connection with this Local Agreement; and
- 7.7.2 in the case of the Local Customer Affiliate, PMI will be appointed as an authorised representative with the necessary authority to act on the Local

Customer Affiliate's behalf in relation to the conduct of or defence of any claim in relation to or in connection with this Local Agreement.

8. GENERAL

- 8.1 Together with the terms of the Agreement incorporated into this Local Agreement (as amended from time to time), this Local Agreement shall constitute the whole of the terms agreed between the parties hereto in respect of the subject matter of this Local Agreement provided that nothing in this Clause 8.1 shall limit a party's liability for fraudulent misrepresentation.
- 8.2 This Local Agreement shall be capable of being varied only by a written instrument signed by a duly authorised officer or other representative of each of the parties.
- 8.3 This Local Agreement is severable in that if any provision is determined to be illegal or unenforceable by any court of competent jurisdiction such provision shall be deemed to have been deleted without affecting the remaining provisions of this Local Agreement.
- 8.4 This Local Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF THIS LOCAL AGREEMENT was entered into the day and year first before written.

SIGNED for and on behalf of [*insert name of PMI Affiliate*] (First Signatory)

Signed: _____

Name: _____

Position: _____

Date: _____

SIGNED for and on behalf of [*insert name of Supplier Affiliate*]

Signed: _____

Name: _____

Position: _____

Date: _____

SIGNED for and on behalf of [*insert name of PMI Affiliate*] (Second Signatory)

Signed: _____

Name: _____

Position: _____

Date: _____

Exhibit A to Local Agreement

Local Services

[Guidance Note: this exhibit should explain which services are being provided in the Region under this Local Agreement]

LOCAL SERVICES

The Local Services shall include all Services set out in the Agreement, as applicable to the Region, including:

- [Transition Services, as described in Schedule 6 of the Agreement]
- Transformation Services, as described in Schedule 7 of the Agreement;
- the Operational Services including:
- [INSERT]

all as further detailed in the Agreement.

REQUIRED LANGUAGES

The following are the Required Languages for this Local Agreement:

[Note: First Local Agreement, as set out in Schedule 2]

[English]

[OTHERS]

[SUPPLIER APPROVED PERSONNEL]

[name if needed]

Exhibit B to Local Agreement

Local Charges

[PLACEHOLDER: ANTICIPATE THIS WILL BE AS STATED IN SCHEDULE 4 FOR APAC, BUT CAN WORK THE TEMPLATE LATER]

LOCAL CHARGES

[INSERT]

INVOICING OF LOCAL CHARGES

[INSERT]

CURRENCY ADJUSTMENT FOR LOCAL CHARGES

[INSERT]

Schedule 20
PROJECT AGREEMENTS

1. PROJECT AGREEMENTS

- 1.1 From time to time during the Term, any member of the Customer Group may agree that any member of the Supplier Group shall provide Additional Services to such member of the Customer Group pursuant to a Project Agreement. The Customer (on behalf of the Customer Group) and the Supplier (on behalf of the Supplier Group), will procure that the provisions in this Schedule 20 are complied with when agreeing Project Agreements.
- 1.2 A Project Agreement may cover Additional Services provided on the following basis:
- 1.2.1 on a time and materials ("T&M") basis;
 - 1.2.2 on a fixed price basis; or
 - 1.2.3 a combination of the two (including, for example, risk and reward, capped T&M etc).
- 1.3 Each Project Agreement shall set out the particular scope of the Additional Services to be supplied under it to the applicable member of the Customer Group by the applicable member of the Supplier Group and any specific terms and conditions relating to those Additional Services (such as provisions to deal with local tax, employment or other Applicable Law requirements).
- 1.4 In determining the applicable Charges for a Project Agreement, the applicable members of the Customer Group and Supplier Group shall use, to the extent applicable, the provisions set out in Schedule 4 (*Charges*) when inserting into a Project Agreement the Charges payable pursuant to it. Where Schedule 4 (*Charges*) not directly applicable, the Parties shall, to the extent appropriate, refer to them in building up and agreeing the fees payable pursuant to a Project Agreement. Where Schedule 4 (*Charges*) (or any other part of this Agreement) contains Charges for a given type of Additional Services, the Supplier shall not (and shall ensure that the relevant member of the Supplier Group shall not) seek to include alternative pricing for those Additional Services unless:
- 1.4.1 the Supplier (or the applicable member of Supplier Group) requires certain changes to meet the requirement of Applicable Law;
 - 1.4.2 the Supplier (or the applicable member of Supplier Group) provided the Customer with such detail reasonably required by the Customer to validate such requirements; and
 - 1.4.3 the Customer confirmed in writing to the Supplier that the applicable provisions in this Agreement can be varied to address such requirements in that Project Agreement only.

- 1.5 Any member of the Customer Group may enter into Project Agreements with any member of the Supplier Group by either:
 - 1.5.1 following the purchase order procedure set out in Paragraphs 1.6 and 1.7; or
 - 1.5.2 completing and signing a Project Agreement as described in Paragraph 1.8.
- 1.6 Any member of the Customer Group may offer to enter into a Project Agreement by sending any member of the Supplier Group a purchase order. In each such purchase order, the relevant member of the Customer Group shall:
 - 1.6.1 include the relevant information that would otherwise be required to complete a Project Agreement (as set out in the template Project Agreement in Appendix A of this Schedule 20 (*Project Agreement*)); and
 - 1.6.2 incorporate the terms of the Agreement as described in this Schedule, whether or not the relevant purchase order expressly states that those terms are incorporated.
- 1.7 The member of the Supplier Group to whom the purchase order is sent pursuant to Paragraph 1.6 may accept the purchase order if it either:
 - 1.7.1 prints, signs and returns the purchase order to the member of the Customer Group that sent it; or
 - 1.7.2 commences the work, or supplies the items, specified in such purchase order.
- 1.8 Where the purchase order procedure as described in Paragraphs 1.6 to 1.7 is not utilised, all other Project Agreements shall be entered into using the template in Appendix A to this Schedule 20 (*Project Agreement*). Where requested by the applicable member of the Customer Group, the applicable member of the Supplier Group shall, at no cost to the member of the Customer Group, prepare a draft Project Agreement utilising the template in Appendix A to this Schedule 20 (*Project Agreement*) for the requested Project Agreement. Such draft Project Agreement shall be provided by the applicable member of the Supplier Group promptly, but in any event within fourteen (14) days of the request. The applicable member of the Supplier Group shall make such changes to the draft Project Agreement that the member of the Customer Group reasonably requires. Each such Project Agreement shall only be binding when agreed and signed by both of the applicable members of the Customer Group and the Supplier Group.
- 1.9 Each Project Agreement shall be a separate and distinct contract between the applicable contracting members of the Customer Group and Supplier Group. Save as expressly stated otherwise in this Schedule, from the date a Project Agreement is effective in accordance with its terms, the Additional Services covered by that Project Agreement shall be governed by that Project Agreement and not this Agreement between the Customer and the Supplier.

- 1.10 The standard terms in any business forms (including purchase orders and invoices) of any member of the Customer Group, or any member of the Supplier Group, shall not apply to Project Agreements, and the inclusion of such terms in any Project Agreement shall have no legal effect.
- 1.11 Each Project Agreement shall incorporate the terms of this Agreement, save that:
- 1.11.1 except where the context otherwise requires, all references to:
- (a) the "Customer" are to be construed as references to the relevant member of the Customer Group that is a party to the Project Agreement;
 - (b) the "Supplier" are to be construed as references to the relevant member of the Supplier Group that is a party to the Project Agreement;
 - (c) a "Party" or "the Parties" are to be construed as references to the relevant member of the Customer Group and the relevant member of the Supplier Group that are parties to the Project Agreement;
 - (d) the "Agreement" shall be deemed to refer to the Project Agreement, incorporating the terms of this Agreement;
 - (e) "the Services" and "Service Recipients" shall be deemed to refer to the Additional Services provided under the Project Agreement, and as received by the Service Recipients for that Project Agreement; and
- 1.11.2 the following provisions shall be excluded from incorporation in the Project Agreement:
- (a) Section 2 (General Obligations and Structure of Agreement);
 - (b) Section 2 (Term);
 - (c) Section 18 and Schedule 18 (Benchmarking);
 - (d) Section 17 and Schedule 9 (Governance);
 - (e) Section 36 (Step-In)
- 1.12 In respect of any Project Agreement, where those applicable contracting Parties have agreed a Local Agreement in accordance with Schedule 19 prior to the date of such Project Agreement, the provisions of Paragraph 1.11 shall apply as incorporated into the Local Agreement (and as varied by that Local Agreement).
- 1.13 **Liability:** The Parties agree that:
- 1.13.1 All liability arising under this Agreement and all Project Agreements shall be aggregated for the purpose of determining the Parties liability under any cap on liability. Therefore the Parties agree that for the purpose of interpreting the

liability of the Customer (together with all members of the Customer Group) and Supplier (and all members of the Supplier Group) in relation to this Agreement and all Project Agreements (including when interpreting Section 27 of the Agreement and each Project Agreement):

- (a) all references to the "Agreement" shall include a reference to the Agreement and all Project Agreements;
- (b) in determining liability under this Agreement and all Project Agreements any reference to fees or charges shall include all Charges paid under this Agreement and all Local Charges paid under all Project Agreements;
- (c) any amounts paid in settlement of any liability pursuant to a Project Agreement by the Supplier (or the applicable member of the Supplier Group) to the Customer (or applicable member of the Customer Group), shall also be counted when interpreting any relevant liability caps under Section 27.3 of the Agreement; and
- (d) any amounts paid in settlement of any liability pursuant to a Project Agreement by the Customer (or the applicable member of the Customer Group) to the Supplier (or applicable member of the Supplier Group) shall also be counted when interpreting any relevant liability caps under Section 27.4 of the Agreement.

1.14 In the event of a conflict between a provision expressly set out in a Project Agreement and a provision of this Agreement incorporated into that Project Agreement by reference, the terms of the Project Agreement shall prevail.

Appendix A

PROJECT AGREEMENT



Contract Information		
1. Customer:	[PMI entity (for Project Agreement)]	Registered office: [PMI Entity's Address]
2. Supplier:	[Name of Supplier (for Project Agreement)]	Registered office: [Supplier's address]
3. Master Agreement:	<p>Nature of contract: [Master Services Agreement] between [PMI ENTITY] ("Customer Master Contracting Entity") and [SUPPLIER CONTRACTING ENTITY] ("Supplier Master Contracting Entity").</p> <p>Date of contract: [insert date of the contract]</p>	
4. Incorporated Terms:	The Project Terms and Conditions in Attachment B	
5. Project:	[insert the name of the project]	
6. Services:	In the context of the Project, the Supplier shall provide the following type of Services:	
	T&M Services	<input type="checkbox"/> [N/A / enter details of services]
	Fixed Price Services	<input type="checkbox"/> [N/A / enter details of services]
	[insert specific services if applicable]	<input type="checkbox"/> [N/A / enter details of services]
7. Pricing Information:	See Attachment A	
8. Commencement Date:	[Not applicable.]	
9. Customer Responsibilities:		
10. Supplemental Conditions:	[Not applicable.]	

The Customer and the Supplier enter into an agreement comprising the Contract Information and the Incorporated Terms referred to in row 4 of the Contract Information above.

Customer 1:

By: _____

Name: _____

Title: _____

Date: _____

Customer 2:

By: _____

Name: _____

Title: _____

Date: _____

Supplier:

By: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT A
PRICING INFORMATION

[INSERT PRICING IN ACCORDANCE WITH THE MASTER AGREEMENT]

T&M Charges:	Profile/role	T&M Rates Day Rate applicable to services provided by personnel with this profile
	[profile]	[specify currency] [sum] ([specify currency] [sum in words])
	[profile]	[specify currency] [sum] ([specify currency] [sum in words])
Fixed Price Charges:	[Not applicable.]/[Enter details including currency and consider linking payment to achievement of agreed milestones. Refer to the Time Schedule]	
[Other]	[Enter details including currency]	

ATTACHMENT B
PROJECT TERMS AND CONDITIONS

The Parties agree as follows:

1. Interpretation

1.1 The Parties hereby agree that this Project Agreement is entered into under the provisions of the Master Agreement (as specified in row 3 of the Contract Information above) and, except as provided below, all the terms and conditions of the Master Agreement are incorporated into this Project Agreement by reference.

1.2 Unless otherwise set out in this Project Agreement, any amendment, variation or modification to the Master Agreement agreed by the Customer and the Supplier will be incorporated automatically by reference into this Project Agreement, whether such amendment, variation or modification came into effect before or after the Project Agreement Effective Date. The Supplier shall ensure the provision of Services under this Project Agreement are at all times performed in accordance with the latest terms of the Master Agreement as agreed between the Supplier and the Customer.

1.3 In the event and to the extent that any provision of this Project Agreement conflicts with a provision of the Master Agreement, the provision of this Project Agreement shall prevail to the extent of such conflict or inconsistency.

1.4 References to Clauses and Exhibits are, unless otherwise provided, references to clauses and exhibits of this Project Agreement.

1.5 For the purposes of this Project Agreement, unless the context otherwise requires, references in the Master Agreement to:

1.5.1 "Customer" shall be deemed to refer to "Customer" (as defined in this Project Agreement);

1.5.2 "Supplier" shall be deemed to refer to "Supplier" (as defined in this Project Agreement);

1.5.3 a "Party" or "the Parties" shall be deemed to apply to the Customer and/or the Supplier, as applicable;

1.5.4 the "Agreement" shall be deemed to refer to this Project Agreement incorporating the terms of the Master Agreement; and

1.5.5 the "Services" and "Service Recipients" shall be deemed to refer to the Additional Services provided under this Project Agreement, and as received by the Supplier.

1.6 All capitalized terms used but not defined in this Project Agreement shall have the meanings given to such terms in the Master Agreement.

1.7 The headings, use of bold type and any worked examples provided in this Project Agreement are for convenience only and shall not affect the interpretation of any provision of this Project Agreement.

2. variations to the Master Agreement

2.1 The following provisions of the Master Agreement shall be excluded from incorporation into this Project Agreement:

2.1.1 Section 2 (General Obligations and Structure of Agreement);

- 2.1.2 Section 2 (Term);
 - 2.1.3 Section 18 and Schedule 18 (Benchmarking);
 - 2.1.4 Section 17 and Schedule 9 (Governance);
 - 2.1.5 Section 36 (Step-In)
- 3. TERM AND TERMINATION**
- 3.1 This Project Agreement shall be effective as of the Commencement Date or, if earlier, the date of the last signature of this Agreement ("**Project Agreement Effective Date**").
- 3.2 Either Party may terminate this Project Agreement by notice with immediate effect if:
- 3.2.1 the other Party is in material breach of any provision of this Project Agreement, provided:
 - (a) the Party not in breach has given the Party in breach notice of such breach; and
 - (b) the Party in breach has failed to cure such breach to the satisfaction of the Party not in breach within 30 days of receipt of the above notice; or
 - 3.2.2 the other Party becomes insolvent, is the subject of a petition for creditor protection or a petition in bankruptcy or of any other proceedings under bankruptcy, insolvency (or equivalent laws in other countries) or makes an assignment for the benefit of creditors.
- 3.3 Unless an alternative position is agreed in the Contract Information of this Project

Agreement, the Customer may terminate this Project Agreement for convenience by notifying the Supplier to this effect at least 14 days in advance of the day such termination is to take effect.

4. Local Services and Local Charges

For the purposes of this Project Agreement only:

- 4.1 Supplier agrees to perform the Additional Services set out in row 6 of the Contract Information ("**Additional Services**"); and
- 4.2 The Customer shall only pay such Charges that apply to the Additional Services, as further described in Attachment A ("**Project Charges**").

5. Language

- 5.1 The Parties have agreed that this Project Agreement and all documents relating to this Project Agreement, be written in the English language. Where required by Applicable Law, this Project Agreement shall be translated by the Supplier into the official language of the country in which the Services are being performed and promptly provided to the Customer for its approval. In the event of inconsistencies or conflicts between the translated version and the English version of this Project Agreement, the English version shall prevail, and any translated version shall be interpreted as such.

6. Disputes and jurisdiction

- 6.1 Any dispute arising under this Project Agreement shall in the first instance be escalated to Customer Master Contracting Entity (on behalf of the Customer) and by Supplier Master Contracting Entity (on behalf of the Supplier) and shall be resolved in accordance with the Dispute Resolution Procedure of the Master Agreement.

- 6.2 The validity, construction and performance of this Project Agreement shall be governed by the laws of the jurisdiction of the Customer's registered office without regard to its conflict of law provisions and shall be subject to the exclusive jurisdiction of the competent courts of the jurisdiction of the Customer's registered office and specifically (insofar as the Parties may validly choose) the competent court at the place of the Customer's registered office.

7. Liability

- 7.1 The liability of each Party under this Project Agreement shall be determined in accordance with the Master Agreement (in particular Section 27 and Paragraph 1.13 of Schedule 20)

8. General

- 8.1 Together with the terms of the Master Agreement incorporated into this Agreement (as amended), this Project Agreement shall constitute the whole of the terms agreed between the Parties hereto in respect of the subject matter of this Project Agreement provided that nothing in this Clause 8.1 shall limit a Party's liability for fraudulent misrepresentation.
- 8.2 This Project Agreement shall be capable of being varied only by a written instrument signed by a duly authorised officer or other representative of each of the Parties.
- 8.3 This Project Agreement is severable in that if any provision is determined to be illegal or unenforceable by any court of competent jurisdiction such provision shall be deemed to have been deleted without affecting the remaining provisions of this Project Agreement.
- 8.4 This Project Agreement may be executed in any number of counterparts, and by each Party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

**Schedule
21 KEY
PERSONNEL**

Key Personnel position	Name	Duration
Client Executive	Nikunj Khemani	Term of the Agreement
Program Lead	Sandeep Parashar	Term of the Agreement
Transition Lead	Su Ozker	Transition Phase
Transformation Delivery Lead	To be identified during Transition	Term of the Agreement
Service Delivery Lead - India	To be identified during Transition	Term of the Agreement
Service delivery team lead – Romania	To be identified during Transition	Term of the Agreement
Service delivery team lead - Mexico and Brazil	To be identified during Transition	Term of the Agreement
Service delivery team lead – Romania	To be identified during Transition	Term of the Agreement

Schedule 22

PMI Principles on Transfer of Employees in Outsourcing Projects

The following is PMI's view on the applicability of transfer of undertakings regulations to the services in scope, and related responsibilities of the Service Provider and PMI (**Principles**). "PMI/Client" may refer to one or more PMI affiliates.

We expect the Service Provider to take these Principles and applicable transfer regulations into account when preparing its commercial proposal.

Then the Service Provider and PMI/Client shall agree that the following Principles will apply to any transfer of undertakings that could potentially arise under the services between the Service Provider and PMI/Client.

PMI/Client will not accept requests for compensation related to transfers after the fact. Any adjustments to these Principles, which are required under local law and/or specific liabilities for a respective territory based on due diligence, will be agreed and set forth in the relevant (Local) Agreement.

1. Applicability of Transfer Regulations

Where the transaction is clearly subject to the Acquired Rights Directive 2001/23/EC (ARD), the United Kingdom's Transfer of Undertakings (Protection of Employment) Regulations (TUPE) or other similar regulations providing protection for transferring employees (**Transfer Regulations**), the Service Provider will follow all statutory or regulatory obligations.

PMI/Client Employees:

When the Services to be transferred are currently provided by PMI employees, we expect the Supplier to accept any transfer of PMI/Client employees made pursuant to Transfer Regulations.

Third Party Employees:

In most cases, the personnel who might be subject to a transfer of undertaking would be employees of PMI/Client's current third party service provider (**Existing Service Provider**).

When Transfer Regulations apply to the Existing Service Provider's employees:

- the responsibilities and liabilities related to the undertaking are between the Existing Service Provider and the Supplier;
- all Existing Service Provider employees providing the transferred services on the date of change from the Existing Service Provider to the Service Provider, will transfer.

Transferring Employees

- Each relevant party, whether the Supplier, Existing Service Provider and/or PMI, shall take on all liabilities and obligations required under the applicable Transfer Regulations for transferred employees as of the date Supplier commences the Services (**Transfer Date**).
- The Existing Service Provider should indemnify Supplier in respect of liabilities arising directly from (or connected to) Existing Service Provider's alleged or actual acts/omissions in relation to any transferring employee occurring before the Transfer Date.

- Where the transferring employee is a PMI/Client's employee (and not an employee of Client's Existing Service Provider), PMI/Client will indemnify Supplier in respect of liabilities arising directly from (or connected to) PMI/Client's actual acts/omissions in relation to the transferring employee occurring before the Transfer Date.
- Supplier shall indemnify PMI/Client for liabilities it may incur resulting from the transfer of personnel from Existing Service Provider to Supplier.
- Supplier shall indemnify PMI/Client and the Existing Service Provider for liabilities arising directly from (or connected to) Suppliers' alleged or actual acts/omissions in relation to any transferring employee occurring on or after the Transfer Date.
- More specifically, PMI/Client and Supplier shall address the liability and any indemnity for the possible redundancy of any PMI employees who may transfer in the relevant (Local) Agreement, subject to the following principles:
 - The Supplier may not terminate employees or make any employees redundant because of the transfer itself;
 - The Supplier must have an economic, technical, organizational or other reason allowed under local law to dismiss any employees;
 - The indemnity that PMI/Client would be covering is restricted to costs based on the period of time during which any redundant employee has been engaged in the PMI/Client's services; and
 - The Supplier has since the transfer, made no changes to any of the employee terms and conditions other than in the normal course of business.
- PMI/Client will not pay for any changes in employees providing Services (e.g. changes in employees/redundancies made to increase the efficiency of Services).

Supplier Obligations on Transfer/Commencement of Services

- Supplier shall cooperate with and provide information that PMI/Clients and the Existing Service Provider need to comply with the Transfer Regulations (e.g. Supplier's intentions with the Existing Service Provider's employees and any changes in terms and conditions of employment, i.e. pension plan, location of work, which Existing Service Provider must share with transferring employees).
- Supplier shall cooperate with Existing Service Provider and/or PMI/Client in connection with its obligations to consult with employee representatives and/or works councils and communicate with transferring employees.

Supplier Obligations on Termination/Exit of Services


- In case the Transfer Regulations may be triggered, as of 6 months prior to the expiration of the contract (or as soon as PMI/Client notifies the Supplier that the contract will end), the Supplier may not without the prior written consent of PMI/Client, make any material changes in personnel or the personnel's terms and conditions of employment that would negatively affect the provision of goods and/or services to PMI/Client or materially increase the costs for any Incoming Service Provider (**Incoming Service Provider**).
- Supplier must provide information for PMI/Client and the Incoming Service Provider regarding employees who may be subject to transfer to the Incoming Service Provider (e.g. length of employment). This information may be anonymized or pseudonymized as needed to comply with applicable data protection regulations.
- Supplier must conduct a pre-termination consultation with its transferring employees in accordance with Transfer Regulations, informing them of the Incoming Service Provider's employment terms and conditions (e.g. pension),

including any changes in the employment (e.g. a change of location). Supplier must comply with applicable Transfer Regulations with respect to the transferring employees.

- Supplier will retain any liabilities (e.g. salary, benefits, employment claims) incurred before the new Transfer Date.
- Supplier shall indemnify PMI/Client and the Incoming Service Provider for:
 - Liabilities incurred before the new Transfer Date
 - Failures to comply with applicable Transfer Regulations
- PMI/Clients will indemnify Supplier for liabilities related to PMI/Client acts/omissions in relation to transferring employees that occur on or after the date the contract terminates/expires.

Schedule 23

COMPLIANCE

 **NOTE:** Any modifications to the below provisions must be approved by PMI's legal department prior to entering into an agreement with a Supplier. If you manage a relationship with a third party, which interacts with Government Officials on PMI's Behalf, you must ensure that all relevant third party personnel understand PMI's compliance requirements, including those under P&P 14-C, and how they apply to their activities. Please refer to the 14-C Anti-Corruption Policy to ensure that all its obligations are met, in particular those of sec. 4 and 6. You will find the latest version of the 14-C Policy under the following link:

<http://pmiprinciples13.app.pmi//pdf/English/GlobalDocuments/1014/PMI%2014-C%20Anti-Corruption.pdf>

1. Sanctions and Anti-Bribery & Anti-Corruption Laws

1.1 The Supplier– use the same party name terminology from the Agreement throughout this Schedule] represents and warrants that the following statements will be true and correct for the Supplier Group Members providing Products and/or Services under this Agreement throughout the Term:

- a) the Supplier Group Members, and each of their respective shareholders, beneficial owners, officers, directors, employees, agents and any other person[s] involved in providing Products and/or Services under the terms of this Agreement, will comply fully with ABAC Laws and applicable Sanctions;
- b) in carrying out its responsibilities under the terms of this Agreement, the Supplier and, as applicable, any Supplier Group Members, along with any of their respective shareholders, beneficial owners, officers, directors, employees, agents, or any other person involved in providing Products and/or Services under the terms of this Agreement, will not permit, authorize, or allow any improper or corrupt offer, promise, payment or giving of anything of value or of any other incentive, directly or indirectly, to (i) any Government Official in order to influence official action or otherwise obtain an improper advantage, (ii) any other person with the knowledge or reasonable expectation that all or any portion of the money or thing of value will be offered or given to a Government Official in order to influence official action or otherwise obtain an improper advantage, or (iii) any other person in order to induce them to perform their work duties disloyally or otherwise improperly. For the purposes of this Section 1.1(b), a person shall be deemed to have “knowledge” with respect to conduct, circumstances or results if such person is aware of (1) the existence of or (2) a high probability of the existence of such conduct, circumstances or results by virtue of proper prior due diligence that was or should have been performed under the circumstances. This includes a prohibition on the making of any “facilitating” or “expediting” payments which, for the purposes of this Schedule, are defined as small payments made to Government Officials in furtherance of or to expedite or secure the performance of routine, non-discretionary government action. Some examples include payments that are made to speed up the issuing of legitimate visas, licenses or permits, to connect telephones or other utility services.
- c) the Supplier Group Members will not engage any individual to interact with Government Officials or Government Instrumentalities on the Customer Group Members' behalf without the Customer's prior consent, if at any point during the prior year that individual qualified as a Government Official;
- d) the Supplier Group Members will keep and maintain complete, accurate and reasonably detailed Books and Records in connection with the Products and/or Services to be provided, and/or the financial transactions that are to be made on behalf of the Company, under the terms of this Agreement;
- e) there is no pending or threatened litigation, enforcement action or investigation by a government entity, or any inquiry or proceeding concerning the Supplier Group Members, or any Person acting on their behalf or under their control or direction, in relation to non-compliance with any applicable ABAC Laws or Sanctions;
- f) Supplier and any Supplier Group Members performing activities under this Agreement, as applicable, and owners and senior managers of the foregoing are not:
 - i. On any of the Sanctions lists published by the United States, the United Kingdom, the European Union, the United Nations, Switzerland, or the jurisdictions where the Parties are located (each such listed individual or entity being a “Sanctioned Party”); or
 - ii. Located in, employing, using, procuring, subcontracting, or supplying any items, services, or labor originating from or attributable to any location subject to country-wide or region-wide Sanctions from time to time (each such

location being an “Embargoed Location”). As of the date of this Agreement, Embargoed Locations are Cuba, Iran, North Korea, Syria, Crimea, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, and the portions of the oblasts of Kherson and Zaporizhzhia that are not controlled by the government of Ukraine.

If Supplier, Supplier Group Members and/or owners or senior managers of the same become a Sanctioned Party or have aforementioned connections to an Embargoed Location, the Supplier and/or the Supplier Group Members must immediately notify Customer in writing; and

g) the Supplier Group Members have in place, and will maintain throughout the term of this Agreement, adequate procedures designed to prevent any breach of ABAC Laws and/or Sanctions.

1.2 The Supplier further represents and warrants that, in carrying out its responsibilities under this Agreement, the Supplier and, as applicable, the Supplier Group Members, will not provide any Gifts, Contributions, or Entertainment to any Government Official or any other person without the prior written approval of the Customer.

1.3 No part of any payments by the Customer or the Customer Group Members may be used, directly, indirectly, or through any other means whatsoever:

a) for any purpose that would constitute a violation of the laws of the countries where the Customer and the Supplier are organized, or any other country whose laws may apply to the Customer Group Members or the Supplier Group Members; or

b) for any illegal, unethical, or improper purpose, whether or not it is in connection with this Agreement, a Project Agreement or a Purchase Order (as applicable), and Supplier warrants that it and the Supplier Group Members will not use any such funds in a way that violates this provision.

1.4 The Customer and the Customer Group Members are not obligated under this Agreement to take any action, including the making of any payment that they believe, in good faith, would cause the Customer and/or any of the Customer Group Members to be in violation of Applicable Law.

1.5 The Supplier must ensure that its invoices (and, if applicable, the invoices of any Supplier Group Members) sufficiently and accurately describe both the Services provided and, separately, the Expenses incurred. Customer and Customer Group Members are reserved the right to reject any non-compliant invoice, in whole or in part.

1.6 Neither the Supplier Group Members, nor any of their shareholders or beneficial owners, are directly or indirectly owned or controlled, in whole or in part, by any Government Instrumentality or Government Official and no shareholder, beneficial owner, partner, officer, director or employee of any of the Supplier Group Members is or is expected to become a Government Official during the Term, without the prior written approval of the Customer.

1.7 Neither Customer Group Members nor Supplier Group Members, nor any Person acting on Customer Group Members’ or Supplier Group Members’ behalf, will enter into any combination, conspiracy, agreement or other form of collusive arrangement with any person, corporation, partnership or other entity that, directly or indirectly, unlawfully lessens competition between itself and other suppliers, or between potential subcontractors, vendors or suppliers from whom deliverables or Products and/or Services may be obtained in the performance of this Agreement, a Project Agreement or a Purchase Order.

1.8 The Customer, and each Client (as applicable), shall have the right to inspect and audit the Supplier’s and the Supplier Group Members’ compliance with this Schedule and with Applicable Law, including their Books and Records. At the discretion of the Customer, or the relevant Client (as applicable), an independent third party may be selected to conduct an audit. The Supplier shall fully cooperate in any audit conducted by or on behalf of the Customer and/or the Customer Group Members.

1.9 The Supplier further agrees to cooperate in good faith in any inspection, review, investigation, or audit by the Customer and/or the Customer Group Members and their auditors, attorneys and representatives in the event of any actual or alleged violation of ABAC Laws and/or Sanctions, this Schedule, and/or Applicable Law, by the Supplier, the Supplier Group Members and/or their owners, officers, directors, employees and agents. Such cooperation includes providing the Customer and the Customer Group Members and their representatives with prompt and complete access to the Supplier’s and the Supplier Group Members’ Books and Records and to their owners, officers, directors, employees and agents for interviews.

1.10 The Supplier must immediately notify the Customer in writing providing full details if it becomes aware of any credible evidence or allegation of any (i) breach of any of the obligations contained in or referred to in this Schedule; (ii) fact, matter or circumstance that has or will or might reasonably be expected to put the other Party in breach of ABAC Laws and/or Sanctions; or (iii) any development during the Term that in any way makes inaccurate or incomplete the representations and warranties that are contained in this Schedule.

1.11 In addition to any other rights and remedies that are available to it, the Customer and/or the Customer Group Members may unilaterally and immediately terminate, without penalty, this Agreement, a Project Agreement or a Purchase Order (as applicable), in the case of non-compliance by the Supplier and/or the Supplier Group Members with the provisions of this Section 1 of this Compliance Schedule.

2. Responsible Sourcing Principles

2.1 The Supplier, and each Seller, Service Provider or Developer (as applicable), acknowledges the receipt of, and agrees to implement and comply with, PMI's Responsible Sourcing Principles ("RSP") in all the work rendered to Customer Group Members.

2.2 If Customer Group Members become aware of any violation by the Supplier Group Members of the RSP, Customer will notify Supplier and Supplier must investigate and implement remedial steps and notify Customer of all such efforts. Should such violations persist, Customer may terminate this Agreement, and Buyers and Clients may terminate any Project Agreement or Ordering Agreement, with an immediate effect.

2.3 The RSP are available under the following link: <https://www.pmi.com/resources/docs/default-source/pmi-sustainability/responsible-sourcing-principles.pdf>

3. Illicit Trade Prevention

3.0 The Parties agree that in case a Supplier Group Member has notice and/or has knowledge of any counterfeit or diverted PMI Products, Supplier Group Member shall: (i) implement immediate corrective actions to these situations according to the applicable law, including as applicable (a) to terminate any relevant commercial relations with those third party(ies) involved in the counterfeiting or diversion of PMI Products, and (b) to assess further, commercially and financially, any new customers prior to entering commercial contractual relationships; (ii) record accurately the situation to reasonably prevent its recurrence in the future; (iii) provide Customer Group Members prompt notices about these situations and cooperate between them as reasonably possible to correct and avoid the occurrence of those counterfeit or diversion cases; (iv) not accept any order from any individual or entity known to be involved in the manufacture, distribution or sale of counterfeit or diverted PMI Products; and (v) not accept payment for Goods from any person or entity other than the Customer Group Member invoiced for the Goods. In case Supplier Group Members have agents and/or representatives, Supplier Group Members agree that the above undertakings shall be equally applicable to its agents and/or representatives.

3.1 The Supplier Group Members acknowledge and accept that the Customer Group Members intend to cooperate with governmental inquiries related to any illegal transactions related to in the counterfeiting or diversion of PMI Products. The Supplier Group Members expressly authorize the Customer Group Members, in response to a valid and specific government inquiry, to disclose the terms and conditions of any transaction related to the supply of PMI Products to the Customer Group Members by the Supplier Group Members, and any other relevant facts involving such transactions.

3.2 The Supplier Group Members agree to use all reasonable endeavors to cooperate with relevant government authorities for the purposes of investigating the PMI Products' smuggling and/or the laundering of proceeds arising out of illegal trade.

The Customer Group Members may terminate this Agreement, an Ordering Agreement or a Project Agreement (as applicable), immediately in case of non-compliance by the Supplier Group Members to the provision of this Section 3.

DEFINITIONS USED IN ABAC / SANCTIONS COMPLIANCE SCHEDULE

“ABAC Laws” means, without limitation, all laws applicable to the Customer and/or to the Supplier relating to or prohibiting bribery, corruption, kickbacks, the improper conferring of any gift, payment, or other benefit on any person, or similar unlawful or unethical conduct, or which has as its objective the prevention of corruption, to include the U.S. Foreign Corrupt Practices Act of 1977 (“**FCPA**”), the Bribery Act 2010 of the United Kingdom, laws implementing the OECD Convention on Combatting Bribery of Foreign Public Officials in International Business Transactions, and any similar laws of the European Union, United States, Switzerland, or any other country, each as amended, and any regulations promulgated thereunder.

“Applicable Law” means all product, environmental, health and safety, criminal, social, human resources, tax and other laws, regulations and other instruments having the effect of law or any binding industry standards or equivalent, which apply to the supply of Products and/or Services and/or which are otherwise applicable to this Agreement.

“Books and Records” means books, records of account, billing records, ledgers, reports, detailed financial records, and any other relevant data (including supporting documentation), the maintenance of which is legally required or commercially reasonable and proper for the accurate management of the Supplier’s business as it relates to the involved Products and/or Services and the billing of those Products and/or Services to the Customer.

“Close Family Member” means an individual’s spouse, the individual’s and the spouse’s parents, siblings, and children, and any other individuals who share the same household as the individual.

“Contribution” means a monetary or in-kind donation (including of services), grant, political contribution, membership, or sponsorship including corporate sponsorships of any event.

“Entertainment” means travel, lodging, meals or hospitality that is provided to, or received from a third party, not as a result of a legal or contractual obligation.

“Gift” means anything of value (other than Entertainment or Contributions) provided to, or received from, a third party without exchange of equivalent payment in return, and not as a result of a legal or contractual obligation.

“Government Instrumentality” means and includes: (1) any government agency, department or subdivision, including a legislature, administrative body, court, and ministry, at the supranational, national, state and local level; (2) any organization that serves a public purpose and is closely tied to any level of government, but may not itself be considered a government agency, including government-owned or controlled universities, hospitals and commercial enterprises; and (3) public international organizations whose members are governments or Government Instrumentalities, such as the World Health Organization and the United Nations. For purposes of this Agreement, an entity shall be considered government-owned or controlled if a government (i) owns or controls 50% or more of the entity’s shares, (ii) funds more than 50% of the entity’s budget, or (iii) can otherwise direct the management, policies or affairs of that entity.

“Government Official” means and includes any officer, employee, or person employed by or acting, in an official or unofficial capacity, on behalf of any Government Instrumentality, or any officials of a political party or candidates for political office. It should be noted that, in some contexts, interactions with a Close Family Member of a Government Official may be treated as an interaction with that Government Official.

“Sanctions” means export control, restrictions on funds transfer and related laws and regulations of the United States of America, the United Kingdom, the European Union, Switzerland and the United Nations, and to which Customer and/or Supplier subject from time to time, including, without limitation, the US Export Administration Regulations, the US International Traffic in Arms Regulations, the US Department of Treasury Office of Foreign Assets Control’s economic sanctions regulations, sanctions programs maintained by the United Kingdom’s His Majesty’s Treasury and any applicable European Union restrictive measure[s] that has/have been implemented pursuant to any European Council or Commission Regulation or Decision adopted pursuant to a common position in furtherance of the European Union’s Common Foreign and Security Policy.









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Final Audit Report

2024-12-19

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 Agreement completed.

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