



OPERATING LICENCE

AS APPROVED BY ITSO EGM ON 21 DECEMBER 2006



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whether that person is also registered with ITSO as the owner of the relevant ITSO Application;

"Background Intellectual Property Rights"	means any and all Intellectual Property Rights that are owned by or licensed to either Party and which are or have been developed independently of this Agreement (whether prior to the Commencement Date or otherwise);
"Board"	means the Board of Directors of ITSO as stated in ITSO's Articles and Memorandum of Association, the composition of which shall change from time to time;
"Business Day"	means any day which is not a Saturday, a Sunday or a public holiday in England save that in Schedule 4 the term Business Day has the definition indicated in paragraph 1.1.2 thereof and all such references to Business Day in that Schedule will be deemed to be in respect of the definition of Business Day set out at paragraph 1.1.2 of that Schedule;
"Business Hour"	means any hourly period between 9.00am and 5.00pm on a Business Day;
"Collection and Forwarding Operator"	means a person (or its duly authorised sub-contractor) who performs the Function of Collection and Forwarding even if that person also performs one or more other Functions;
"Commencement Date"	means [<i>the date of this Agreement</i>];
"Commissioning Phase"	means, in relation to the Security Management Service, the period from 31 st December 2004 until 31 st December 2006 or such shorter period as may be notified by ITSO to the Security Management Service Provider in writing and during which the Licensee will receive the Commissioning Phase Service Standards as indicated in Schedule 4;
"Compensation Claim"	has the meaning ascribed to it in Clause 10.4 (v) of this Agreement;
"Confidential Information"	means all information of a confidential nature which is held by either Party pursuant to or in contemplation of this Agreement (including, without limitation, information concerning the business of either Party or of any other person to whom an Operating Licence has been granted by ITSO) and which, if disclosed, would or might prejudice either Party or any ITSO Member, this Agreement (to the extent that it is specific to the Licensee) or any information which is patently confidential;
"Customer"	means an end user who is provided with or uses the Customer Media for the purposes of loading an ITSO Application and/or one or more Product Instances on to it and/or who uses a Customer Media loaded with one or more Product Instances to acquire a service from a Service Operator;

“Customer Media”	means a smart card or other electronic device, in each case with a contactless interface, that is compliant with Part 10 of the ITSO Specification and is therefore capable of having an ITSO Application loaded onto it;
“Data Protection Legislation”	means the Data Protection Act 1998, the Data Protection Directive 95/46/EC, the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699), the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all Laws and Regulations (and all subordinate legislation enacted thereunder) relating to the processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner;
“Disaster Recovery Event”	means an occurrence that requires the Security Management Service Provider and/or ITSO to take action and implement the Disaster Recovery Plan;
“Disaster Recovery Plan”	means the plan developed and actions required by ITSO and the Security Management Service Provider to resolve any failures/problems with the Security Management Service;
“Dispute”	means any dispute or matter of grievance arising under or in connection with this Agreement, which has not been resolved between the Parties (save that where such dispute or matter of grievance arises under or in connection with the Framework Agreement the terms governing disputes in that Framework Agreement shall apply instead);
"Dispute Resolution Procedure"	means the procedure set out in Clause 22;
“Executive”	means the authorised staff of ITSO as notified from time to time by ITSO;
“Fees”	means ITSO’s standard fees for the provision of the services and obligations set out in this Agreement in respect of the Licence Fee and the Transaction Fees as defined in Schedule 7;
“Force Majeure Event”	has the meaning ascribed to it in Clause 11.1 of this Agreement;
"Framework Agreement"	means the agreement substantially under the same terms as those set out in Schedule 8 to this Agreement save where an agreement in substantially the same format as that set out in Schedule 8 has already been entered into by the Licensee, pursuant to Clause 5.6 below and set out in Schedule 8. The purpose of the Framework Agreement is to cover the rights, liabilities and obligations between the Licensee and other ITSO Licensees ;
“Full Managed Service”	means in relation to the Security Management Service the full

service offering to be provided by ITSO to the Licensee to the full Service Standards set out in Schedule 4 from the end of the Commissioning Phase and thereafter;

“Function”

means any one of the following functions necessary for the issue and use of Product Instances on an inter-operable basis:-

“Application Issuing”, meaning the loading of ITSO Applications onto Customer Media held by Customers or issuing to Customers, Customer Media on which an ITSO Application has been loaded;

“Collection and Forwarding”, meaning the collecting of Transaction Data from Product Retailers and Service Operators, receiving Transaction Data and Administrative Data from other Collection and Forwarding Operators, forwarding On Us Data to the relevant Product Owners and forwarding Not On Us Data to the relevant other Collection and Forwarding Operators;

“Product Ownership”, meaning specifying the pricing, usage and commercial rules relating to the loading and use of Product Instances of a particular ITSO Product, and (where applicable) being the person with the contractual relationship with Customers in relation to the acquisition and use of such Product Instances;

“Product Retailing”, meaning loading Product Instances onto or removing Product Instances from Customer Media held by Customers; and

“Service Operating”, meaning providing services to Customers who use Product Instances loaded onto Customer Media held by them as their entitlement to obtain such services;

all of which are identified (and the specific Functions to be carried out by the Licensee are set out) in Schedule 1 of this Agreement and in respect of which the Licensee has obligations (as applicable) as set out in Schedules A to F of this Agreement and **“Functions”** shall have the corresponding meaning;

“Good Industry Practice”

means the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced supplier in the industry seeking to comply with its contractual obligations, complying with all applicable Laws and Regulations;

“Hot ITSO Application”

means an ITSO Application which for whatever reason the Application Issuer no longer wishes to be valid;

“Hot Product”

means a Product Instance which for whatever reason the Product Owner no longer wishes to be valid;

“HSAM”

means an ITSO Secure Application Module used within an ITSO Host Operator or Processing System;

“Information Commissioner”	means the Information Commissioner as defined in Section 6 (i) of the Data Protection Act 1998;
“Intellectual Property Rights”	means any of the following rights:- <ul style="list-style-type: none"> (a) patents, trade marks, rights in designs, get-up, trade, business or domain names, copyrights including rights in computer software and databases (including database rights) and topography rights (in each case whether registered or not and, where these rights can be registered, any applications to register or rights to apply for registration of any of them); (b) rights in inventions, know-how, trade secrets and other Confidential Information; and (c) any other intellectual property rights which may exist at any time in any part of the world;
“Intellectual Property Rights Claim”	means any claim of infringement or alleged infringement (including the defence of such infringement or alleged infringement) of any Intellectual Property Rights of any third party arising from the Licensee's use or possession of materials provided by ITSO to the Licensee under this Agreement (including without limitation the Trade Marks, the Licensed Works and the Security Management Service or any other materials provided hereunder);
“ITSO Application(s)”	means an ITSO Shell which enables a Customer Media to have Product Instances loaded onto it and which is compliant with an ITSO Shell template that has been duly certified as being compliant with Part 2 of the ITSO Specification, pursuant to the Test and Certification procedures referred to in Clause 4;
“ITSO Application Accounting”	means the accounting requirements for ITSO Applications as defined in Part 4 of the ITSO Specification;
“ITSO Compliant Hardware and Software”	means any item of hardware and/or software that has been duly certified as being compliant with the relevant Parts of the ITSO Specification, pursuant to the ITSO Testing and Certification Service referred to in Clause 4;
“ITSO Compliant Materials Register”	has the meaning ascribed to it in Clause 4.1(c) below;
“ITSO Disaster Recovery Event”	means an occurrence that requires ITSO to take action to implement one or more elements of the ITSO Disaster Recovery Plan;
“ITSO Disaster Recovery Plan”	means the plan developed by ITSO and actions required therein to resolve any failures or problems with the Services provided by ITSO to the Licensee;

“ITSO Environment”	means the aggregate of all the Functions, working together with the Security Management Service, the ITSO Registrar and the ITSO Testing and Certification Service that facilitates interoperability between the Licensee and other ITSO Licensees;
“ITSO Host Operator or Processing System”	means that element of the back office system defined within Part 4 of the ITSO Specification, covering ITSO message handling, ITSO Application Accounting and ITSO Product Accounting and Asset Management System functions. The ITSO Host Operator or Processing System shall always be equipped with an HSAM;
“ITSO Key”	means a string of binary digits which is used to control access to an ITSO Application or Product Instance within an ITSO Application;
“ITSO Licensee”	means a person who holds a current Operating Licence;
“ITSO Logo”	means the ITSO logo, names and trademarks comprising one of the Trade Marks (reference numbers 2308454, 0032341, 307844, 003637071), as amended or substituted from time to time by ITSO;
“ITSO Major Forms Handbook”	means the Handbook of Major Forms published from time to time by ITSO containing application forms used by ITSO Members and ITSO Licensees to make applications to ITSO;
“ITSO Member”	means an ordinary member of ITSO, as defined in the Articles of Association of ITSO who has entered into a Members Agreement with ITSO and who has paid a joining fee as prescribed by ITSO from time to time;
“ITSO Members Guide”	means a document issued from time to time by ITSO for its members; the latest version of which is version 1.7 dated January 2004;
“ITSO Message”	means data formatted as defined predominantly within Part 6 of the ITSO Specification and passed from one entity in the ITSO Environment to another entity;
“ITSO Procedures”	means the ITSO procedures prevailing at the time as set out in the ITSO Members Guide;
“ITSO Product”	means an ITSO Product Entity Embodiment (as defined in the ITSO Specification) in respect of which ITSO’s registration procedure for ITSO Product Entity Embodiments as applicable from time to time has been successfully completed;
“ITSO Product	means the accounting requirements for ITSO Products as

Accounting”	defined in Part 4 of the ITSO Specification;
“ITSO Product Entity”	means the generic data structure used within the ITSO Shell to store instances of ITSO Products;
“ITSO Product Entity Embodiment”	means an ITSO Product Entity which has been configured to carry an ITSO Product;
“ITSO Registrar”	means an officer of ITSO nominated and notified to the Licensee from time to time;
"ITSO Secure Application Module"	has the meaning ascribed to it in Part 8 of the ITSO Specification;
“ITSO Service Standards”	means those service standards set out in Schedule 6 of this Agreement;
“ITSO Shell”	means the notional space that holds the collection of all ITSO related data. The ITSO Shell may occupy a given Customer Media platform exclusively or sit alongside other non-ITSO data collections;
“ITSO Specification”	means the prevailing version from time to time of the crown copyright document entitled “ITSO Technical Specification 1000 – interoperable public transport ticketing using contactless smart customer media” the latest version of which is version 2.1.1 dated 31 st October 2006;
"ITSO Specification Amendment Document"	means the form completed to process a change to the ITSO Specification according to the procedures from time to time agreed between ITSO and the ITSO Members, more particularly described in Schedule 3 Clause 4.c;
“ITSO Testing and Certification Service”	means a service available to the Suppliers of ITSO Compliant Hardware and Software via ITSO which is subject to separate contractual arrangements;
“ITSO Transaction”	means the complete process from when a Customer Media is first detected by a Point Of Service Terminal and the Point Of Service Terminal reads, and where applicable, writes to the Customer Media for the purpose of loading, verifying the validity of, modifying or removing either an ITSO Application or a Product Instance, until a record is made of that process;
"ITSO Warranties"	mean the warranties set out in Schedule 9 of this Agreement;
"Know Your Customer Checks"	means the due diligence checks to be carried out by the Security Management Service Provider to ascertain the identity and / or financial creditworthiness of any ITSO Licensee who wishes to use the Security Management Service, including regular routine checks;
"Law"	includes common law and any decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction, in which the Licensee performs any

	Function as a Licensee;
“ Licence Fee”	means the fee payable by the Licensee to ITSO for the Operating Licence as defined in Schedule 7;
“Licensed Works”	means the Technical Outputs specified in Schedule 10 and any updates to those Technical Outputs;
“Licensee Data”	means any data (including any personal data relating to the staff, Customers or suppliers of the Licensee), documents, text, drawings, diagrams, images or sounds together with any database made up of any of those, embodied in any medium, that are supplied or accessed by ITSO by or on behalf of the Licensee, or which ITSO generates, processes, stores or transmits pursuant to this Agreement;
“Members Agreement”	means an agreement in a form prescribed by ITSO from time to time, which a person is required to enter into in order to become an ITSO Member;
“Not On Us Data”	means any data which does not fall within the definition of On Us Data;
“Nullify”	means causing a Hot ITSO Application to cease to be useable for the purpose of loading Product Instances or using Product Instances already loaded onto the Customer Media or causing a Hot Product to cease to be useable for the purposes of obtaining services from a Service Operator, and “Nullified” shall be construed accordingly;
“On Us Data”	means either: <ul style="list-style-type: none"> (a) Transaction Data collected or received by a Collection and Forwarding Operator:- <ul style="list-style-type: none"> (i) that relates to a Product Instance in respect of which it is the Product Owner or in respect of which it has entered into contractual or other arrangements with the relevant Product Owner for the forwarding of Transaction Data to them or to a person nominated by them; and/or (ii) that relates to an ITSO Application in respect of which it is the Application Issuer or the person who is registered with ITSO as the owner of the relevant ITSO Application or in respect of which it has entered into contractual or other arrangements with the relevant Application Issuer or with such person for the forwarding of Transaction Data to them or to a person nominated by them; or (b) Administrative Data collected or received by a Collection and Forwarding Operator that either does not require forwarding to another Collection and Forwarding Operator or in respect of which it has entered into contractual or

other arrangements with another ITSO Licensee to forward the Administrative Data to that ITSO Licensee or to a person nominated by that ITSO Licensee;

“Operating Licence”	means a licence between (1) ITSO and (2) an ITSO Member or other person, by which that ITSO Member or person is granted a licence to perform one or more of the Functions as defined under Schedule 1 of this Agreement;
"Operating Licence Register"	has the meaning ascribed to it in Clause 4.1(a) below;
“Point Of Service Terminal”	means a terminal at which a Customer Media may be written to or read, as appropriate, for the purposes of carrying out an ITSO Transaction. Point Of Service Terminal contains or has access to an ITSO Secure Application Module;
“Polling”	means the process of downloading or uploading Transaction Data from an ITSO Secure Application Module, and “Polled” shall be construed accordingly;
"Pricing Structure"	means the structure in Schedule 7 which sets out the Licence Fee and Transaction Fees and the timescales and other requirements applicable to the payment of such fees, as supplied to the Licensee prior to the date of this Agreement and as varied from time to time pursuant to Clause 6;
“Priority One Fault or Incident”	has the meaning ascribed to it in Schedule 4 of this Agreement;
“Priority Two Fault or Incident”	has the meaning ascribed to it in Schedule 4 of this Agreement;
“Priority Three Fault or Incident”	has the meaning ascribed to it in Schedule 4 of this Agreement;

“Product Instance”	means each individual instance of an ITSO Product;
“Product Owner”	means a person (or authorised sub-contractor) who performs the Function of Product Ownership even if that person also performs one or more other Functions;
“Product Retailer”	means a person (or authorised sub-contractor) who performs the Function of Product Retailing even if that person also performs one or more other Functions;
“Risk Register”	means a register, as maintained by the Executive and reported to the Board, which considers all risks whether strategic, operational, financial, informational, reputational, contractual, regulatory or unanticipated, assessing each for impact and probability in respect of the ITSO Environment and any other issues arising from the operation by ITSO Licensees and ITSO of the activities envisaged under this Agreement;
“Security Management Service”	means the sending, in response to appropriately authorised requests made by or on behalf of the Licensee, of electronic messages to Asset Management Systems of the Licensee in order to provide, change or remove ITSO Keys, together with such ancillary services for the benefit of the Licensee as ITSO may reasonably determine from time to time;
"Security Management Service Provider"	means the provider of the Security Management Service;
“Security Management Service Standards”	means the expected standards for performance of the Security Management Service which ITSO shall meet or exceed, as set out in more detail in Schedule 4;
“Service”	means for the purposes of this Agreement a service provided by ITSO to the Licensee in performance of its obligations defined within this Agreement;
“Service Operator”	means an operator of Point of Service Terminal(s) performing the Function of Service Operating;
“Service Problem”	has the meaning ascribed to it in Paragraph 1.1.4 in Schedule 4;
"Software Viruses"	means any Trojan horses, worms, logic bombs, time bombs, back doors, trap doors, keys or other code or components which would be harmful to the Licensee's systems or to the operation of any software or hardware provided to or used by the Licensee or would allow unauthorised access to or the unauthorised transmission of data from the Licensee's computer systems;
"Test and Certification Services"	has the meaning ascribed to it in Clause 4.2;
“Trade Marks”	means the trade marks set out in Schedule 2 which have either been registered or in respect of which applications for registration have been made as the same may be amended or

substituted from time to time by ITSO;

“Transaction Data” means electronic data relating to ITSO Transactions and/or to failed or attempted ITSO Transactions; and

“Transaction Fees” means the fees charged to the Licensee for the services it requires from ITSO including but not limited to the Security Management Service as defined in Schedule 7.

1.2 In this Agreement (except where the context otherwise requires):-

- (a) any reference to a Clause or Schedule is to the relevant Clause or Schedule of or to this Agreement and any reference to a sub-clause or paragraph is to the relevant sub-clause or paragraph of the Clause or Schedule in which it appears;
- (b) the index and clause headings are included for convenience only and shall not affect the interpretation of this Agreement;
- (c) use of the singular includes the plural and vice versa;
- (d) use of any gender includes the other genders;
- (e) any reference to “persons” includes any entity or grouping such as, but not limited to, natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations and trusts (in each case whether or not having separate legal personality);
- (f) any reference to a statute, statutory provision or Law shall (except where the context otherwise requires) be construed as referring to:
 - (i) such Law as amended and in force from time to time and to any legislation which (either with or without modification) re-enacts, consolidates or enacts in rewritten form any such Law; and
 - (ii) any former Law which it re-enacts in rewritten form.

1.3 The Schedules to this Agreement attached hereto and any variations thereto in accordance with Clause 16.2, form part of this Agreement and shall have effect as if set out in full in the body of this Agreement and any reference to this Agreement includes the Schedules.

2. FUNCTIONS TO BE PERFORMED BY THE LICENSEE

2.1 The Licensee acknowledges that each of the Functions to be carried out by the Licensee as identified in Schedule 1 must be provided in order for Product Instances to be issued by ITSO and to be used in the ITSO Environment.

2.2 The Licensee wishes to provide those Functions that are set out in Schedule 1 (as varied from time to time pursuant to Clause 2.3) and ITSO has agreed to permit the Licensee to do so.

2.3 The Functions set out in Schedule 1 may be added to, deleted or varied from time to time by written agreement between ITSO and the Licensee and pursuant to the process set out in Schedule 1.

3. GRANT OF LICENCE

3.1 In consideration of the Licensee's undertakings and obligations set out in this Agreement, ITSO hereby grants to the Licensee a non-exclusive licence to:-

- (a) perform the Functions which the Licensee has agreed to perform as set out in Schedule 1;
- (b) use the Trade Marks in accordance with the provisions of this Agreement (together with the right to sub-licence their use where necessary to comply with the Licensee's rights and obligations hereunder including without limitation the performance of the Functions); and
- (c) use the Licensed Works solely for the purpose of carrying out the Functions.

4. OBLIGATIONS OF ITSO

4.1 ITSO shall:

- (a) maintain an accurate, auditable and up-to-date register of Operating Licences ("**Operating Licence Register**");
- (b) ensure that the Licensee is kept up to date with all relevant database details, the current information on the Operating Licence Register and any changes made thereto to enable the Licensee to fulfil its obligations under the terms of this Agreement;
- (c) maintain an accurate and auditable and up-to-date register of all types of ITSO Compliant Hardware and Software and ITSO Applications which have been certified by ITSO as being compliant with the ITSO Specification ("**ITSO Compliant Materials Register**"), which shall be made available to the Licensee and any other ITSO Members. ITSO shall (at no further cost) make available to the Licensee any amendments made to the ITSO Compliant Materials Register from time to time;
- (d) (where the Licensee is to perform the Function of Product Ownership) register ITSO Products proposed by the Licensee and for which the Licensee requests such registration in accordance with Schedule C to this Agreement, PROVIDED THAT:
 - (i) the proposed ITSO Products comply with Part 5 of the ITSO Specification;
 - (ii) the Licensee satisfies the requirements for such registration set out in Schedule C to this Agreement; and
 - (iii) the proposed ITSO Product which uses the stored travel rights ITSO Product Entity or IPE2 (as referred to in Part 5 Clause 2.2 of the ITSO Specification) may not be registered without the prior approval of the Board or such committee or individual to whom the Board may delegate the right to give such approval, such approval not to be unreasonably withheld, refused or delayed;
- (e) maintain an on-line database accessible to the Licensee containing an up-to-date register of all ITSO Applications and ITSO Products, in each case

including details of the customer support telephone numbers notified to ITSO by the relevant Application Issuers and Product Owners under Schedules A and C of their respective Operating Licences and inform the Licensee by e-mail about any changes made to the database from time to time; and

- (f) provide, or procure the provision of, the Security Management Service in accordance with the Security Management Service Standards and ITSO Service Standards (where applicable) and in accordance with such procedures and provisions (including as to the necessary authorisation of requests for ITSO Keys) set out in Schedule 4. ITSO's obligation to provide the Security Management Service to the Licensee in accordance with this Clause will be subject to:
 - (i) the Licensee and/or its officers passing and the Licensee maintaining its obligations in respect of Know Your Customer Checks;
 - (ii) the Licensee's compliance with the obligations set out in Clause 5.10; and
 - (iii) the Licensee paying the Fees in accordance with Clause 6.

Test and Certification Service

4.2 ITSO shall ensure that it provides (or procures the provision of) the Test and Certification Services to facilitate:-

- (a) the testing and certification of hardware and/or software for the purpose of certifying such hardware and/or software as ITSO Compliant Hardware and Software; and
- (b) testing and certification of ITSO Applications for the purpose of certifying whether such ITSO Applications are compliant with the ITSO Specification.

Compliance with Law

4.3 ITSO shall, at no additional cost to the Licensee at all times carry out and provide its obligations under this Agreement in compliance with Law. ITSO shall neither be relieved of its obligations nor be entitled to increase the Fees or other payments under this Agreement as a result of any change or proposed change in Law (unless otherwise agreed in writing by the Parties). If ITSO becomes aware of any change or proposed change in Law which affects or is likely to affect ITSO's ability to comply with its obligations under this Agreement, ITSO shall promptly notify the Licensee of such change or proposed change in Law and the implications such a change or proposed change may have on ITSO's ability to carry out its obligations under this Agreement and shall provide the Licensee with timely details of measures it proposes to take and changes it proposes to make to comply with any such changes. ITSO shall consult with the Licensee (and wherever possible agree with the Licensee) on the manner, form and timing of changes it proposes to make to meet any changes in the Law where they would impact upon ITSO's obligations under this Agreement. Unless contrary to the Law, ITSO shall not implement any change, without the Licensee's prior written agreement, which would have an adverse effect on ITSO's ability to comply with its obligations hereunder.

Without prejudice to the provisions of this Clause 4.3, ITSO shall use all reasonable endeavours to minimise any disruption caused by any changes in Law introduced pursuant to this Clause 4.3.

For the avoidance of doubt ITSO shall take action in respect of this Clause 4.3 at no cost to the Licensee.

Indemnity Insurance

4.4 ITSO shall maintain in force indemnity insurance in a sum not less than 5 million pounds Sterling with a reputable insurance company to cover its liabilities in connection with this Agreement and shall review the cover levels on an annual basis and if deemed appropriate by the Board, ITSO shall increase the cover levels and provide information of the same to the Licensee. ITSO shall do nothing to invalidate any insurance policy or to prejudice the Licensee's entitlement thereunder.

Risk Register

4.5 ITSO shall maintain the Risk Register to support the Board and Executive and manage the business activities envisaged under this Agreement safely and efficiently. In respect of the Risk Register:

- (a) ITSO and its sub-contractors shall treat any information provided by the Licensee pursuant to Clause 5.15 as Confidential Information, and shall use such information solely for the analysis and mitigation of risk to the ITSO Environment; and
- (b) the Board may determine and direct that the Executive shall discuss a particular risk with the Licensee where the risk might be mitigated by the Licensee.

Members Agreement

4.6 ITSO shall comply with the terms of the Members Agreement.

Investigations Prior to Termination or Suspension

4.7 ITSO shall conduct appropriate investigations prior to exercising any of its rights under Clauses 12 and 13 to terminate or suspend this Agreement.

Compliance with Law

4.8 ITSO shall comply with all Law concerning the use of smart card technology and the processing of data (whether personal or otherwise) generated under this Agreement.

Entering onto Licensee's Property

4.9 Where ITSO, its employees, agents or sub-contractors enter onto any property of the Licensee it (and shall procure that its employees, agents and sub-contractors) shall:

- (a) take reasonable care to ensure that, except to the extent reasonably required in the performance of its obligations and as set out under this Agreement, it does not interfere to any material degree with the operations of the Licensee, its employees, agents or any other contractors;

- (b) comply with all reasonable and proper directions and policies issued by the Licensee relating to access including any security and health and safety requirements in respect of such premises;
- (c) not have exclusive or uninterrupted access to any part or parts of the Licensee's premises; and
- (d) make due allowance for (and not interfere with) the requirements and working patterns of third parties working or present at the premises.

ITSO Staff & Policies

4.10 At all times, ITSO shall ensure that:

- (a) each of its staff, agents or sub-contractors are suitably qualified, adequately trained and capable of providing the services specified under this Agreement to the Licensee and any other obligations entered into by ITSO hereunder;
- (b) there is an adequate number of its staff, agents or sub-contractors to provide the services hereunder and meet its obligations properly; and
- (c) all of its staff, agents or sub-contractors will comply with any Licensee policies in respect of operating on the Licensee's premises.

ITSO Warranties

4.11 ITSO shall warrant to the Licensee in terms of the ITSO Warranties. All of the ITSO Warranties are without prejudice to any other warranties expressed in this Agreement. Each ITSO Warranty shall be construed as a separate Warranty and shall not be limited or restricted by reference, or inference, from the terms of any other Warranty or any other term of this Agreement. ITSO acknowledges and agrees that compliance by it with each of the ITSO Warranties shall not relieve ITSO from compliance with any of its obligations under this Agreement.

Disaster Recovery

4.12 ITSO shall ensure that in respect of the Services it provides, it shall have an ITSO Disaster Recovery Plan and that it is able to implement the provisions of the ITSO Disaster Recovery Plan at any time in accordance with its terms.

Test Disaster Recovery Plan

4.13 ITSO shall test each element of the ITSO Disaster Recovery Plan on a regular basis (and, in any event, not less than once in every 12 month period).

Copies of Disaster Recovery Plan

4.14 Upon written request ITSO shall send to the Licensee a copy of the ITSO Disaster Recovery Plan and if requested a written report summarising the results of any test referred to in Clause 4.13 above and shall promptly implement any actions or remedial measures which the testing of the ITSO Disaster Recovery Plan has demonstrated are required.

Implementation of Disaster Recovery Plan

- 4.15 ITSO shall implement the ITSO Disaster Recovery Plan in the event that an ITSO Disaster Recovery Event occurs, as defined within the ITSO Disaster Recovery Plan, that requires ITSO to invoke the ITSO Disaster Recovery Plan.

5. LICENSEE'S OBLIGATIONS

Membership of ITSO

- 5.1 The Licensee shall at all times during the continuance in force of this Agreement:-
- (a) (where it is an ITSO Member) comply with its obligations set out in its Members Agreement;
 - (b) (where it is a subsidiary of an ITSO Member who is an ITSO Member for itself and as representative of its subsidiaries) comply with the terms of the Members Agreement of its holding company (except in respect of payment of Membership Fees) as if it were itself signatory thereto; or
 - (c) (where it is Rail Settlement Plan Limited or a train operating company that is a member of ATOC) comply with the terms of the Members Agreement of ATOC (except as to payment of Membership Fees) as if it were itself signatory thereto.

Security Management

- 5.2 The Licensee shall:-
- (a) comply wholly and promptly with all reasonable instructions of ITSO in relation to the prevention and investigation of any fraudulent, unlawful or improper issue or use of ITSO Applications or Product Instances (whether actual or potential);
 - (b) provide to ITSO on request such data relating to ITSO Products and ITSO Transactions which may reasonably be requested by ITSO in accordance with Good Industry Practice for the purposes of detecting or preventing fraudulent, unlawful or improper issue or use of ITSO Applications or Product Instances; and
 - (c) in respect of ITSO Secure Application Modules used by it in carrying out ITSO Transactions or processing Transaction Data:-
 - (i) (upon being provided with reasonable notice and subject to any third party policies or terms of access where the ITSO Secure Application Modules are positioned on third party premises) allow ITSO physical access to such ITSO Secure Application Modules for the purposes of Polling the ITSO Secure Application Modules for Transaction Data; and
 - (ii) (upon being provided with reasonable notice and subject to any third party policies or terms of access where the ITSO Secure Application Modules are positioned on third party premises) use all reasonable endeavours to ensure that ITSO is allowed access to any premises of a third party on which such ITSO Secure Application Modules are being used;

in each case for the purposes of Polling the relevant ITSO Secure Application Modules and/or where such access is reasonably required for the purposes of detecting or preventing fraudulent, unlawful or improper issue or use of ITSO Applications or Product Instances.

Audit of Compliance

5.3 The Licensee shall allow ITSO or its duly authorised representatives:-

- (a) upon reasonable notice in writing stating ITSO's reasonable grounds for doing so, at any time during Business Hours to enter the Licensee's premises and to inspect any relevant systems and records for the purpose of verifying the Licensee's compliance with its obligations under this Agreement and to take copies of those records for that purpose PROVIDED THAT:
 - (i) ITSO shall only be granted access to (and take copies of) systems and records which are related to the activities carried out by the Licensee under this Agreement and for which ITSO has requested access pursuant to the notice referred to above;
 - (ii) ITSO shall provide the Licensee with a copy of any findings in respect of the audit carried out under this Clause 5.3(a);
 - (iii) any data or information collected during the audit and any resultant report or findings shall be considered Confidential Information for the purposes of this Agreement;
 - (iv) ITSO's rights to such inspection and copy documents under this clause does not occasion any breach of any Laws; and
 - (v) ITSO shall be solely responsible for the costs associated with such audits;
- (b) without notice, in the event that there are reasonable grounds for suspicion of malpractice/fraud or failure to comply with the ITSO Specification, to enter (at any time during Business Hours) the Licensee's premises and to inspect any relevant systems and records for the purpose of verifying compliance with the Licensee's obligations and the performance of Functions by the Licensee under this Agreement and to take copies of those records for that purpose PROVIDED THAT ITSO complies with the same principles referred to above in Clauses 5.3 (a) (i) to (v);

ITSO Obligation in Respect of Audit of Compliance

5.4 In the exercising the rights under Clauses 5.3(a) and 5.3(b) above ITSO shall:

- (a) use all reasonable endeavours to minimise disruption to the Licensee and its business;
- (b) use any documentation obtained solely for the purposes of the investigation and any investigation that flows therefrom and any such information shall be deemed to be Confidential Information for the purposes of this Agreement;

- (c) maintain the documentation as Confidential Information for the purposes of this Agreement; and
- (d) (where the audit has not demonstrated any malpractice or fraud on the part of the Licensee) upon completion of the investigation return any records or information belonging to the Licensee (including any copies of materials made during the audits referred to above and any reports related thereto then in ITSO's possession) to the Licensee and return or destroy any copies of such records together with any documents created by the use of the confidential records; or
- (e) (where the audit has demonstrated malpractice or fraud on the part of the Licensee) upon completion of any legal proceedings return any records or information belonging to the Licensee (including any copies of materials made during the audits referred to above and any reports related thereto then in ITSO's possession) to the Licensee and return or destroy any copies of such records together with any documents created by the use of the confidential records.

ITSO Keys and the ITSO Security Management Service

5.5 The Licensee shall:-

- (a) in carrying out ITSO Transactions or processing Transaction Data or Administrative Data, only use ITSO Keys that have been provided by ITSO;
- (b) comply with all reasonable rules, specifications and standards relating to the ITSO Security Management Service which are either set out in this Agreement or notified by ITSO in writing to the Licensee from time to time;
- (c) provide to ITSO in a timely manner such information and data, and access to such premises and facilities, as is reasonably required by ITSO to perform the Security Management Service and which the Licensee is able to provide, provided that ITSO has given the Licensee reasonable notice of its need for such information, data or access; and
- (d) in the event that the Licensee requires an Asset Management System to be connected to the Security Management Service the Licensee shall comply with additional obligations, the current terms of which are attached as Schedule 5.

Framework Agreement

5.6 The Licensee shall become a party to the Framework Agreement within 10 Business Days of the execution of this Agreement either by:

- (a) executing the Framework Agreement set out in Schedule 8 of this Agreement; or
- (b) by entering into an Accession Agreement with ITSO.

Termination for Failure to Execute either Framework Agreement or Accession Agreement

5.7 In the event that the Licensee fails to satisfy the obligation specified above in Clause 5.6 on or before that date this Agreement will terminate on such date.

ITSO to Execute and Deliver Framework Agreement

- 5.8 ITSO, by entering into this Agreement, agrees to the provisions set out in the Accession Agreement and the Licensee hereby irrevocably and unconditionally authorises ITSO to execute and deliver on behalf of the Licensee any Framework or Accession Agreement duly executed by a Party Applicant (as defined in the Framework Agreement) and to thereby admit such a Party Applicant as a Party (also as defined in the Framework Agreement).

Effect of Termination

- 5.9 Any termination or expiry of this Agreement shall also be deemed to terminate the Framework Agreement to the extent that the Framework Agreement is entered into by the Licensee.

Competence of Staff

- 5.10 The Licensee shall use all reasonable endeavours to ensure that all staff who are employed or engaged by the Licensee or its sub-contractors and who will be required in the course of their duties to use ITSO Compliant Hardware and Software, carry out ITSO Transactions or process Transaction Data or Administrative Data are adequately trained and competent in the use of the ITSO Compliant Hardware and Software.

Use of the ITSO Logo on Customer Media

- 5.11 To the extent that it is responsible for specifying or issuing Customer Media onto which the ITSO Applications or Product Instances are to be loaded, the Licensee shall use reasonable endeavours to ensure that all such Customer Media carries the ITSO Logo.

Compliance with Law

- 5.12 The Licensee shall comply with all Laws concerning the use of smart card technology and the processing of data generated in the performance of its Functions under this Agreement.

Change in Law

- 5.13 If the Licensee becomes aware of any change or proposed change in Law which is likely to affect the Licensee's ability to comply with its obligations under this Agreement, it shall promptly notify ITSO of such change or proposed change.

Obligations relevant to particular Functions

- 5.14 The Licensee shall comply with those obligations set out in Schedules A to F that are specified therein as applicable to the Function or Functions that the Licensee for the time being performs under this Agreement.

Obligation not to perform unauthorised Functions

- 5.15 The Licensee shall not perform, in relation to the carrying out of ITSO Transactions or processing of Transaction Data or Administrative Data, any Functions other than those set out in Schedule 1 (as varied from time to time pursuant to Clause 2.3), except to the extent that it acts as sub-contractor to an ITSO Licensee licensed to perform the relevant Functions.

Risk Register

- 5.16 The Licensee shall co-operate with all reasonable requests made by ITSO in connection with the assembly and maintenance by ITSO of the Risk Register. Such co-operation may include (without limitation) the provision of:
- (i) details of the physical location of ITSO Secure Application Modules and;
 - (ii) details of specific Customer Media fraud, security breaches, or inappropriate use of or distribution of ITSO Keys.

6. FEES AND PAYMENT

- 6.1 In consideration of the provision by ITSO of the Security Management Services and its other obligations under this Agreement the Licensee shall pay the Fees to ITSO in the amounts and in the manner set out in the Pricing Structure and shall otherwise comply with the obligations set out in the Pricing Structure relating to the payment of those Fees. The Fees and any additional charges payable under this Agreement are exclusive of Value Added Tax which shall be paid by the Licensee at the rate and in the manner for the time being prescribed by Law.
- 6.2 ITSO may vary the Fees according to Schedule 7.

Audit With Notice

- 6.3 The Licensee shall permit ITSO or its duly authorised representatives during Business Hours upon reasonable written notice to inspect and take copies of any accounts and records relating to the performance of Functions by the Licensee in order to verify the Fees payable, PROVIDED THAT:
- (a) ITSO shall only be granted access to (and take copies of) accounts and records which are related to performance of the Functions carried out by the Licensee under this Agreement and for which ITSO has requested access pursuant to the notice referred to above;
 - (b) ITSO shall provide the Licensee with a copy of any findings in respect of the audit carried out under this Clause 6.3;
 - (c) any data or information collected during the audit and any resultant report or findings shall be considered Confidential Information for the purposes of this Agreement;
 - (d) ITSO's rights to such inspection and copy documents under this clause does not occasion any breach of any Laws; and
 - (e) ITSO shall be solely responsible for the costs associated with such audits.

Audit Without Notice

- 6.4 The Licensee acknowledges that ITSO may need to undertake the audit referred to above in Clause 6.3 without notice being provided to the Licensee. In circumstances where notice can be given ITSO will endeavour to attend at a mutually convenient time after providing reasonable notice in writing stating the grounds for attending. In exercising its rights under this Clause ITSO shall :

- (a) use all reasonable endeavours to minimise disruption to the Licensee and its business;
- (b) use any documentation obtained solely for the purposes of the investigation and any investigation that flows therefrom and any such information shall be deemed to be Confidential Information for the purposes of this Agreement;
- (c) maintain the documentation as Confidential Information;
- (d) upon completion of the investigation return any records or information belonging to the Licensee (including any copies of materials made during the audits referred to above and any reports related thereto then in ITSO's possession) to the Licensee and return or destroy any copies of such records together with any documents created by the use of the confidential records; and
- (e) remain fully responsible for the cost of any such audits undertaken.

Invoices

6.5 Unless otherwise expressly set out in Schedule 7 or agreed in writing between ITSO and the Licensee Fees payable shall be paid by the Licensee within 30 days of receipt of the relevant invoice. ITSO shall invoice the Licensee for payment of the Fees in accordance with the Pricing Structure. All sums payable under this Agreement shall be paid in sterling.

Non-payment of Fees

6.6 Save where Fees are properly disputed pursuant to Clause 6.8 below (in which case failure to pay a disputed sum shall not be deemed to be a breach of this Agreement) all Fees shall be paid in full without any deduction or withholding other than as required by Law and/or in accordance with Clause 6.7 of this Agreement and the Licensee shall not be entitled to assert any credit, set-off or counterclaim against ITSO in order to justify withholding payment of any amount in whole or in part.

Interest on Unpaid Fees

6.7 If any Fees due from the Licensee to ITSO or any other payment due from one Party to another under this Agreement are not paid on or before the due date for payment, then the Party not in default shall be entitled to charge the other Party interest calculated on a daily basis on all overdue amounts at the rate of 3% per annum above the base lending rate of HSBC Bank plc from time to time until payment is made in full.

Disputed Invoices

6.8 If the Licensee disputes any invoice submitted for the Fees pursuant to this Agreement:

- (a) the Licensee shall notify ITSO in writing as soon as reasonably practicable of the disputed amount;
- (b) the Licensee's failure to pay the disputed Fees shall not be deemed to be a breach of this Agreement;

- (c) the Licensee shall pay the balance of the invoice which is not in dispute by the due date for payment;
- (d) in respect of Fees relating to the Security Management Service the Licensee shall pay the same to ITSO and request that the matter be considered under the Dispute Resolution Procedure. If the disputed amount relates to any other Fees due, the Licensee shall invoke the Dispute Resolution Procedure and shall not be required to pay the disputed sum unless adjudged liable to do so pursuant to the Dispute Resolution Procedure;
- (e) to the extent that ITSO is obliged, following resolution of the Dispute, to refund an amount to the Licensee which it has paid, interest shall be added to that amount in accordance with Clause 6.10 below; and
- (f) once the Dispute has been resolved, where ITSO is required to make a balancing payment, it shall do so within 30 days of the date the Dispute is resolved.

Retention of Documents & Audit

6.9 ITSO shall maintain complete and accurate records of, and supporting documentation for, all amounts which may be chargeable to the Licensee pursuant to this Agreement. Such records shall be retained for inspection by the Licensee for 6 years from the end of the contract year to which the records relate. The Licensee shall be entitled to audit the records referred to above upon notice being provided to ITSO.

Repayment of Fees

6.10 In the event that any such audit uncovers an error in the amounts actually due from the Licensee and the invoiced amounts provided by ITSO, ITSO shall within 30 days of evidence to this effect repay any such monies paid in error together with any interest thereon payable calculated on a daily basis on all overdue amounts at the base lending rate of HSBC Bank plc until payment is made in full.

7. CONFIDENTIALITY AND DATA PROTECTION

7.1 Except to the extent set out in this Clause 7, or where disclosure is expressly permitted elsewhere in this Agreement, the Parties shall keep all Confidential Information received or accessed from the other Party confidential and shall not, without the prior written consent of the disclosing Party, disclose the Confidential Information to any person.

Exclusions

7.2 Clause 7.1 shall not apply to the extent that:

- (a) such information was in the possession of the receiving Party, without obligation of confidentiality, prior to its disclosure;
- (b) such information was obtained from a third party without obligation of confidentiality;
- (c) such information was already in the public domain at the time of disclosure otherwise than through a breach of this Agreement; or

- (d) such information was independently developed without access to the other Party's Confidential Information.

Disclosure

- 7.3 The Party receiving the Confidential Information may only disclose the disclosing Party's Confidential Information to their respective employees, sub-contractors, consultants or legal and financial advisers who are directly involved in the obligations set out hereunder or need to know the information. The receiving Party shall ensure that the employees, sub-contractors, consultants or legal and financial advisers to whom it is to disclose the Confidential Information are aware of, and comply with, these confidentiality obligations and prohibit further disclosure.

Indemnity

- 7.4 Each Party shall indemnify the other Party against the consequences of any breach of this Clause 7 save where such disclosure is required under operation of Law or under compulsion by the Information Commissioner, or any other regulatory authority to which it is subject. In such circumstances the disclosing Party shall inform the other Party of the need for disclosure.

Effect of Termination

- 7.5 The provisions of this Clause 7 shall survive any termination of this Agreement.

Data Protection Act

- 7.6 Terms and expressions defined in the Data Protection Act 1998, which are used in this Clause, shall have the meanings given to them in that Act.

Compliance with Data Protection Act

- 7.7 ITSO shall and shall procure that its employees agents and subcontractors shall at all times comply with the provisions of the Data Protection Act 1998 in relation to data received from the Licensee or accessed by ITSO under this Agreement and that it shall only process personal data so received in accordance with the instructions of the Licensee;

Requests Under Data Protection Act

- 7.8 ITSO shall notify the Licensee (within five Business Days) if it receives:
- (a) a request from a Data Subject to have access to that person's personal data;
 - (b) a complaint or request relating to the Licensee's obligations under the Data Protection Legislation;
 - (c) any other communication relating directly or indirectly to the processing of any personal data in connection with this Agreement.

Personal Data Requests/complaints

- 7.9 ITSO shall provide the Licensee with full co-operation and assistance in relation to any complaint or request made in respect of any personal data, including:

- (a) providing the Licensee with full details of the complaint or request;
- (b) complying with a data access request within the relevant timescales set out in the Data Protection Legislation but strictly in accordance with the Licensee's instructions;
- (c) providing the Licensee with any personal data it holds in relation to a Data Subject making a complaint or request within the timescales required by the Licensee; and
- (d) providing the Licensee with any information requested by the Licensee.

Personal Data and EEA

7.10 ITSO shall not transfer personal data outside the European Economic Area without the prior written consent of the Licensee and, where the Licensee consents to such transfer, shall comply with:

- (a) the obligations of a Data Controller under the Eighth Data Protection Principle set out in Schedule 1 of the Data Protection Act 1998 by providing an adequate level of protection to any Personal Data that is transferred; and
- (b) any reasonable instructions notified to it by the Licensee.

Employees Compliance with Data Protection

7.11 The Parties shall, and ITSO shall procure that each of its employees, agents and sub-contractors shall, comply at all times with the Data Protection Legislation and shall not perform their obligations under this Agreement in such a way as to cause either Party to breach any of its obligations under the Data Protection Legislation. ITSO shall immediately notify the Licensee in the event that it becomes aware of any breach of the Data Protection Legislation by ITSO, its employees, agents or sub-contractors in connection with this Agreement.

Indemnity

7.12 ITSO shall, at all times during and after the continuance of this Agreement, indemnify the Licensee and keep the Licensee indemnified against all losses, damages, costs or expenses and other liabilities (including legal fees) incurred by, awarded against or agreed to be paid by the Licensee arising from any breach of ITSO's obligations under this Clause 7 except to the extent that such liabilities have resulted directly from the Licensee's instructions.

8. INTELLECTUAL PROPERTY RIGHTS

Non transference of Licensee's IPR

8.1 ITSO shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Licensee or its licensors, including:

- (a) any proprietary software of the Licensee, or any software used by the Licensee which has not been provided or procured by ITSO under the terms of this Agreement;

- (b) any Intellectual Property Rights relating to the Licensee's documentation, processes and procedures;
- (c) any Intellectual Property Rights relating to the Licensee's know-how;
- (d) any Intellectual Property Rights relating to the Licensee Data; or
- (e) any of the Licensee's Background Intellectual Property Rights.

Assignment of IPR

8.2 Where ITSO acquires, by operation of Law, title to the Intellectual Property Rights of the Licensee referred to in Clause 8.1 above and this acquisition is inconsistent with the allocation of title set out in 8.1 above, such Intellectual Property Rights shall be assigned by ITSO to the Licensee on the request of the Licensee, whenever that request is made.

Logos, names and Trademarks

8.3 Unless expressly set out in this Agreement, neither Party shall be entitled to use any of the other Party's names, logos or trade marks or any of its products or services without that Party's prior written consent. Any use by either Party of the other Parties names, logos or trademarks shall be in accordance with the stipulations/conditions/requirements specified by that other party for the use of such names, logos or trademarks.

Licensee Use of Security Management System and Licensed Works

8.4 The Licensee shall not use the Security Management Service or the Licensed Works or any part thereof for any purposes whatsoever other than for performing the Functions set out in Schedule 1 (as varied from time to time pursuant to Clause 2.3) in accordance with this Agreement, and shall not use the ITSO Keys distributed to it pursuant to this Agreement for or on behalf of a third party or allow any other person to access such ITSO Keys, subject to Clause 15.

Use of Licensed Works

8.5 The Licensee shall not, without written permission from ITSO, (and shall not allow any third party to) modify, improve, adapt, vary, enhance, copy, publish or edit the Licensed Works save that where any aspect of the Licensed Works are computer software the Licensee shall be permitted to decompile (to the extent that the Law permits) such computer software in order to obtain information necessary to render the computer software interoperable with other computer programs used by the Licensee.

No right to Licensee to Sub-Licence Licensed Works

8.6 The Licensee is licensed to use the Licensed Works solely for the purpose of carrying out the Functions set out in this Agreement but the Licensee shall not grant or purport to grant a sub-licence of the Licensed Works to any person without the prior written consent of ITSO.

Copyright Notices

8.7 The Licensee shall abide by such copyright notices as are set out on the Licensed Works or any parts thereof and undertakes that it will not at any time disclose the

Licensed Works or any parts thereof to any person, except to its professional representatives or advisers or as may be required by Law or any legal or regulatory authority.

Prevention of Publication of Licensed Works

8.8 The Licensee shall use its reasonable endeavours to prevent the publication of the Licensed Works or any parts thereof and shall notify ITSO upon becoming aware of any infringement of the provisions of Clause 8.7, howsoever caused.

Indemnity

8.9 ITSO shall, at all times during and after the continuance of this Agreement, indemnify the Licensee and keep the Licensee indemnified against all losses, damages, costs or expenses and other liabilities (including legal fees) incurred by, awarded against or agreed to be paid by the Licensee arising from any Intellectual Property Rights Claim except to the extent that such liabilities have resulted directly from the Licensee's failure to properly observe its obligations under Clause 8.10 below.

IPR Claims

8.10 The Licensee shall:

- (a) notify ITSO in writing of any Intellectual Property Rights Claim;
- (b) allow ITSO to conduct all negotiations and proceedings and provide ITSO with such reasonable assistance as is required by ITSO, each at ITSO's cost, regarding the Intellectual Property Rights Claim; and
- (c) not, without prior consultation with ITSO, make any admission relating to the Intellectual Property Rights Claim or attempt to settle it, provided that ITSO considers and defends any Intellectual Property Rights Claim diligently, using competent counsel and in such a way as not to bring the reputation of the Licensee into disrepute.

Action if IPR Claim Made

8.11 If an Intellectual Property Rights Claim is made, or ITSO anticipates that an Intellectual Property Rights Claim might be made, ITSO may, at its own expense and sole option either:

- (a) procure for the Licensee the right to continue using the part of the material which is subject to the Intellectual Property Rights Claim; or
- (b) replace or modify or procure the replacement or modification of such material, provided that:
 - (i) the performance and functionality of the replaced or modified item is at least equivalent to the performance and functionality of the original item;
 - (ii) the replaced or modified item does not have an adverse effect on the operation of Functions by the Licensee as envisaged under this Agreement;
 - (iii) there is no additional cost to the Licensee; and

- (iv) the terms of the Agreement apply to the replaced or modified item as to the item replaced.

8.12 If ITSO elects to modify or replace the item pursuant to Clause 8.11 (b) or to procure a licence in accordance with 8.11 (a), but this has not avoided or resolved the Intellectual Property Rights Claim then the Licensee may terminate this Agreement by written notice with immediate effect.

Notification of Infringement of IPR

8.13 The Licensee shall promptly notify ITSO if it becomes aware of any allegations that the use by ITSO or any ITSO Licensees of the Licensed Works or any parts thereof infringes any Intellectual Property Rights of third parties. If ITSO is required to defend such claim, whether on its own or jointly with the Licensee, the direct legal costs of defending such a claim shall be borne by ITSO.

Notification if IPR Infringed

8.14 The Licensee shall promptly notify ITSO if it becomes aware of any infringement (or potential infringement) by a third party of any of the Intellectual Property Rights in any part of the Licensed Works or any other materials provided by ITSO under this Agreement, and shall give all reasonable assistance (at the sole cost of ITSO) as ITSO may request in respect of such infringement.

IPR in data remains IPR of Licensee

8.15 ITSO acknowledges that the Licensee Data is the property of the Licensee and the Licensee reserves all Intellectual Property Rights which may, at any time, subsist in the Licensee Data. To the extent that any Intellectual Property Rights in any of the Licensee Data vest in ITSO by operation of Law such Intellectual Property Rights shall be assigned by ITSO to the Licensee by operation of this Clause 8 immediately upon the creation of such Licensee Data.

Royalty-free Licence to ITSO

8.16 The Licensee hereby grants to ITSO for the continuance of this Agreement a non-exclusive non-transferable royalty free licence to use the Licensee Data solely for the purpose of and to the extent necessary to meet its obligations under this Agreement. ITSO shall not:

- (a) modify, amend, alter, remove, delete or enhance the Licensee Data without the prior written consent of the Licensee; or
- (b) make any copies of the Licensee Data without the prior written permission of the Licensee.

Precautions to Protect Licensee Data

8.17 On receipt, access or creation by ITSO of any Licensee Data and during the collection, processing, storage and transmission by ITSO of any Licensee Data, ITSO shall take, and shall procure that each of ITSO's employees, agents and sub-contractors shall take, all precautions necessary to preserve the security and integrity of the Licensee Data and to prevent any corruption or loss of the Licensee Data.

9. INDEMNITY

- 9.1 ITSO shall indemnify, up to the amount specified in Clause 4.4, and keep indemnified to the same amount the Licensee against all liabilities, loss, damages, costs, claims and expenses (including all legal costs and expenses reasonably incurred in respect of any proceedings) incurred by the Licensee arising out of any claim by another ITSO Licensee or any Customer or any other third party which arises as a result of the negligence of ITSO actioning the Licensee's request to distribute the ITSO Keys or any failure by ITSO to comply with its obligations under this Agreement.

10. LIMITATION OF LIABILITY

Limits on Liability

- 10.1 Save in respect of Clause 10.7 below, neither Party shall be liable to the other for:

- (a) any indirect, special, incidental or consequential loss or damage; or
- (b) loss of profits, loss of revenue or anticipated savings, loss of business, depletion of goodwill or otherwise, cost, expenses or other claims for consequential compensation whatsoever (howsoever caused arising indirectly from an act or omission by such Party)

which arise out of or in connection with this Agreement.

Exceptions

- 10.2 The provisions of Clause 10.1 shall not limit the Licensee's right to recover any of the following from ITSO:

- (a) additional operational and administrative costs and expenses arising from a default by ITSO in complying with its obligations under this Agreement;
- (b) any fines, expenses or other losses incurred by the Licensee arising from a breach by ITSO of any Law;
- (c) any loss of profits, business opportunity, revenue or goodwill which arises as a direct result of a default by ITSO in complying with its obligations under this Agreement.

ITSO's Liability in respect of the Security Management Service

- 10.3 In the event that ITSO is unable to provide the Security Management Service in accordance with Clause 4.1(f) as a result of any failure or defect in any third party software used to provide the Security Management Service, ITSO shall use all reasonable endeavours to procure that such failure or defect is remedied as soon as reasonably practicable, but ITSO shall have no liability to the Licensee arising out of any such failure or defect other than its obligation to pursue Compensation Claims (as defined in Clause 10.4) against the Security Management Service Provider.

Action in Respect of Failure of Security Management Service

- 10.4 In the event that the Security Management Service Provider fails to provide the Security Management Service so as to meet or exceed the Service Standards in

Schedule 4 or if ITSO is notified by any Licensee that the Security Management Service is not available, then ITSO shall:

- (a) as soon as reasonably practicable take appropriate action with the Security Management Service Provider to return the Security Management Service to full operation so as to meet or exceed the Security Management Service Standards;
- (b) notify the Licensee (and all other ITSO Licensees) of the said failure or unavailability;
- (c) request that the Licensee shall within 28 days of the resumption of the Security Management Service provide ITSO with information in respect of any loss or damage, if any, that it has suffered as a result of such failure and/or unavailability;
- (d) not take account of any claims received after the 28 days indicated in Clause 10.4 (iii) above;
- (e) pursue, as soon as practicable, a claim for compensation ("Compensation Claim") against the Security Management Service Provider on behalf of the Licensee and those ITSO Licensees who provided information of damage within the 28 days' period stated in clause 10.4 (iii) hereof. In the event that ITSO is successful in any Compensation Claims against the Security Management Service Provider for damages and ITSO is able to recover monies from the Security Management Service Provider for the Licensee, ITSO shall in respect of the monies recovered:-
 - (i) deduct any reasonable deductions and expenses incurred directly by ITSO in the pursuit of the compensation claim (where it shall document and provide as evidence of such deductions to the Licensee on request); and
 - (ii) distribute any residual monies after the deductions and expenses by ITSO on a pro-rata basis to the Licensee and any other claiming ITSO Licensees. Such basis to be determined on a proportionate basis according to the amount of the claims, the number of claims made by the ITSO Licensees and the monies available from the Compensation Claim; and
 - (iii) provide a full break down to the Licensee of any Compensation Claim monies received, deductions made and any calculation made in providing the pro rated amounts to the Licensee and other ITSO Licensees.

ITSO Liability

10.5 Save in respect of:

- (a) Clause 10.4 (for which the separate remedy set out in that Clause shall apply and which sums shall not be capped at the amounts set out in this Clause to the extent that ITSO is able to secure more monies under the Compensation Claim for the Licensee);
- (b) Clause 10.7;

- (c) the indemnities given by ITSO in (or breaches of) Clauses 7 or 8 (for which there is no cap or limitation of liability) ; or
- (d) Clause 9.1;

ITSO's total liability to the Licensee in contract, negligence or otherwise, arising in connection with this Agreement shall be limited to the Fees payable under or pursuant to this Agreement in the twelve month period in which the claim arises where each twelve month period shall be measured from the Commencement Date or any subsequent anniversary thereafter.

Licensees Liability

10.6 Save in respect of Clause 10.7 the Licensee's total liability to ITSO in contract, negligence or otherwise, arising in connection with this Agreement shall be limited to the Fees payable under or pursuant to this Agreement in the twelve month period in which the claim arises where each twelve month period shall be measured from the Commencement Date or any subsequent anniversary thereafter.

Limits to Exclusion of Liability

- 10.7 Nothing in this Agreement shall exclude or limit the liability of either Party for
- (a) death or personal injury caused by its negligence, or that of its employees, agents or sub-contractors;
 - (b) fraud by it or its employees agents or sub-contractors; or
 - (c) breach of any obligation as to title implied by statute; or
 - (d) any other act or omission, liability for which may not be limited in Law.

Limitation Invalid by Law

10.8 The Parties expressly agree that if any limitation or provision contained or expressly referred to in this Clause 10 is held to be invalid under any Law, it shall, to that extent, be deemed omitted. If any Party becomes liable for loss or damage which would otherwise have been excluded, the liability shall be subject to the other limitations and provisions set out in this Clause 10.

Mitigation of Loss

10.9 Nothing in this Agreement shall be taken as in any way reducing or affecting a general duty to mitigate loss suffered by a Party.

11. FORCE MAJEURE

11.1 If either Party is prevented or delayed in the performance of any of its obligations under this Agreement by acts, events, omissions or accidents beyond its reasonable control including delays by its sub-contractors (but only where such delays are beyond the reasonable control of the sub-contractors concerned), act of God, war, riot, civil commotion, armed conflict, malicious damage, industrial dispute (save for an industrial dispute by the workforce of the affected Party), fire, flood, storm, explosion or terrorist attack, nuclear, chemical or geological contamination, collision from aircraft or

epidemic (a "**Force Majeure Event**"), it shall have no liability in respect of the performance of such of its obligations as are prevented by such events during the continuation of such events, and for such time after they cease as is necessary for that Party, using all reasonable endeavours, to recommence its affected operations in order for it to perform its obligations.

Effect of Delays

- 11.2 In the event that either Party is delayed or prevented from performing its obligations under this Agreement by a Force Majeure Event, such Party shall:
- (a) give notice in writing of such delay or prevention to the other Party as soon as is reasonably practicable stating the commencement date and extent of such delay or prevention, the cause thereof and its estimated duration;
 - (b) use all reasonable endeavours to mitigate the effects of such delay or prevention on the performance of its obligations under this Agreement; and
 - (c) resume performance of its obligations as soon as reasonably possible after the removal of the cause of the delay or prevention.

Inability to Claim Force Majeure

- 11.3 A Party cannot claim relief if the Force Majeure Event is attributable to that Party's wilful act, neglect or failure to take reasonable precautions against the relevant Force Majeure Event. ITSO cannot claim relief if the Force Majeure Event is one where a reasonable provider should have foreseen and provided for the cause in question, or if it is attributable to a failure by ITSO to comply with the provisions of the Disaster Recovery Plan (unless such failure is also due to a Force Majeure Event affecting the operation of the Disaster Recovery Plan).

Actions upon Notification

- 11.4 As soon as practicable following the affected Party's notification, the Parties shall consult with each other in good faith and use all reasonable endeavours to agree appropriate terms to mitigate the effects of the Force Majeure Event and to facilitate the continued performance of this Agreement. Where ITSO is the affected Party, it shall take and/or procure the taking of all steps to overcome or minimise the consequences of the Force Majeure Event in accordance with Good Industry Practice.

Notification

- 11.5 The affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the affected Party to be unable to comply with its obligations under this Agreement.

Termination

- 11.6 The Licensee may, during the continuance of any Force Majeure Event, terminate this Agreement pursuant to Clause 12.3(h) in the circumstances set out in that Clause.

12. COMMENCEMENT, DURATION AND TERMINATION

Commencement and Term

12.1 This Agreement shall commence on the Commencement Date and shall, unless terminated earlier pursuant to the provisions for early termination set out in this Clause 12 or elsewhere in this Agreement, continue in force unless and until terminated by the Licensee giving to ITSO not less than three (3) months' notice in writing to terminate this Agreement.

Termination Forthwith by ITSO

12.2 ITSO shall be entitled to terminate this Agreement forthwith by written notice to the Licensee if:-

- (a) the Licensee commits any persistent, continuing or material breach of any of the provisions of this Agreement and, in the case of such a breach which is capable of remedy, fails to remedy the breach within 30 days after receipt of a written notice giving full particulars of the breach and requiring it to be remedied;
- (b) the Licensee (being an individual) has a bankruptcy order made against him;
- (c) an encumbrancer takes possession or a receiver is appointed of the whole or any part of the Licensee's property or assets;
- (d) documents are filed with the court for the appointment of an administrator of the Licensee or notice of intention to appoint an administrator is given by the Licensee or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986);
- (e) the Licensee makes any voluntary arrangement with its creditors or becomes subject to an administration order;
- (f) the Licensee goes into liquidation, either compulsory or voluntary (except for the purposes of an amalgamation, reconstruction or other reorganisation and in such manner that the company resulting from the reorganisation effectively agrees to be bound by or to assume the obligations imposed on the Licensee under this Agreement);
- (g) the Licensee ceases, or threatens to cease, to carry on business ; or
- (i) the Licensee breaches Clause 5.11 of this Agreement.

Termination Forthwith by the Licensee

12.3 The Licensee shall be entitled forthwith to terminate this Agreement by written notice to ITSO if:-

- (a) ITSO commits any persistent, continuing or material breach of any of the provisions of this Agreement and, in the case of such a breach which is capable of remedy, fails to remedy the breach within 30 days after receipt of a written notice giving full particulars of the breach and requiring it to be remedied;
- (b) an encumbrancer takes possession or a receiver is appointed of the whole or any part of ITSO's property or assets;

- (c) documents are filed with the court for the appointment of an administrator of ITSO or notice of intention to appoint an administrator is given by ITSO or its directors or by a qualifying floating charge holder (as defined in paragraph 14 of Schedule B1 to the Insolvency Act 1986);
- (d) ITSO makes any voluntary arrangement with its creditors or becomes subject to an administration order;
- (e) ITSO goes into liquidation, either compulsory or voluntary (except for the purposes of an amalgamation, reconstruction or other reorganisation and in such manner that the company resulting from the reorganisation effectively agrees to be bound by or to assume the obligations imposed on ITSO under this Agreement);
- (f) ITSO ceases, or threatens to cease, to carry on business;
- (g) ITSO breaches Clause 4.8 of this Agreement;
- (h) a Force Majeure Event occurs or is occurring that affects all or a substantial part of the activities envisaged under this Agreement and which continues for more than 30 Business Days; or
- (i) the Licensee suffers or incurs any loss or losses arising out of, in relation to or in consequence of ITSO's performance (or non-performance) of this Agreement that are not recoverable in their entirety from ITSO as a result of the limits on ITSO's liability specified in Clause 10.

Breaches Capable of Remedy

12.4 For the purposes of Clauses 12.2, 12.3 and 13.1, a breach shall be considered capable of remedy if the Party being required to remedy the breach can comply with the provision in question in all respects other than as to the time of performance (provided that time of performance is not of the essence).

Automatic Termination

12.5 This Agreement shall terminate automatically in the event that the Licensee ceases to fall within at least one of the following categories:-

- (a) an ITSO Member;
- (b) a subsidiary of an ITSO Member who is an ITSO Member for itself and as representative of its subsidiaries;
- (c) Rail Settlement Plan Limited or a train operating company that is a member of ATOC, while ATOC remains an ITSO Member; or
- (d) the Licensee ceases to be a party to the Framework Agreement or the Accession Agreement as applicable.

13. SUSPENSION OF LICENSEE'S RIGHTS

ITSO Right to Suspend Licensee's Rights

- 13.1 Without prejudice to ITSO's rights to terminate this Agreement pursuant to Clause 12 above, ITSO shall be entitled forthwith, by written notice to the Licensee, to suspend all or any of the Licensee's rights granted under or pursuant to this Agreement in circumstances where ITSO would be entitled to terminate this Agreement under Clause 12 provided that where such right of suspension is to be invoked for the reasons specified in Clause 12.2 (a) the Licensee shall be granted the same period of time to rectify any such breach (where capable of remedy) as set out in that Clause before such suspension is actioned.
- 13.2 Without prejudice to ITSO's rights to terminate this Agreement pursuant to Clause 12, all of the Licensee's rights granted under or pursuant to this Agreement shall be suspended automatically if the Licensee's rights, or any of them, granted under or pursuant to the Licensee's Members Agreement or (as applicable) the rights, or any of them, of the Licensee's holding company granted under or pursuant to the holding company's Members Agreement or the rights of ATOC granted under or pursuant to ATOC's Members' Agreement are suspended, and the suspension of the Licensee's rights pursuant to this Clause shall be effective for the same period as the suspension of rights under the relevant Members Agreement.

Notification of Suspension

- 13.3 Where ITSO suspends all or any of the Licensee's rights pursuant to this Clause 13 it shall notify the Licensee of the reasons why such action is being taken. If ITSO suspends the Licensee's rights without reason, vexatiously or unjustifiably the Licensee shall be entitled to reclaim any part of the Fees paid by it for which it has not received any service benefit under this Agreement from ITSO. Where the suspension has been exercised properly by ITSO pursuant to this Clause 13 the Licensee shall not be entitled to recover any part of the Fees pursuant to this Clause.

14. CONSEQUENCES OF TERMINATION

Licensee's Actions on Termination

- 14.1 Upon termination of this Agreement for any reason, the Licensee shall by the date specified by ITSO:
- (a) cease to use, or to sub-licence the use of, the Trade Marks on equipment, premises or otherwise;
 - (b) cease to hold itself out as an ITSO Licensee and terminate any sub-licences granted under Clause 15.2;
 - (c) cease to use the Security Management Service; and
 - (d) subject to Clause 14.2(a) pay to ITSO any part of the Fees or other monies outstanding and owing up to the date of termination under this Agreement.

ITSO's Actions on Termination

- 14.2 Upon termination of this Agreement for any reason, ITSO shall:
- (a) repay to the Licensee any amount which it may have paid in advance in respect any services or obligations not provided or procured by ITSO at the date of termination;

- (b) save as provided for by Clause 5.4(e) return any property (including without limitation any Confidential Information or materials containing any Intellectual Property Rights of the Licensee) of the Licensee then in its possession or (at the Licensee's sole discretion and written request) destroy such property and certify in writing to this effect;
- (c) remove any references to the Licensee (and procure that any other ITSO Licensees remove references to the Licensee) on promotional material, websites, documents, diagrams, databases (including without limitation the Operating Licence Register), Customer Media or any other such materials;
- (d) discuss, in good faith with the Licensee, how to manage existing Customers who may have obtained Customer Media from the Licensee (including for the avoidance of doubt how Customer queries for the Licensee will be responded to);
- (e) ensure that all registers, including the Operating Licence Register is updated to ensure that the Licensee no longer appears on the registers and ITSO shall update all other ITSO Licensees of the fact that the Licensee is no longer an ITSO Licensee; and
- (f) save as provided for by Clause 5.4(e) cease to use or sub-licence the use of the Licensee Data and return or (at the Licensee's request) destroy the Licensee Data and certify that such action has been taken to the fullest extent possible.

Other Rights

14.3 Termination of this Agreement for any reason shall be without prejudice to any rights accrued by either Party under this Agreement prior to the effective date of termination and in particular without prejudice to any claim for any antecedent breach of this Agreement.

Survival of Clauses after Termination

14.4 Upon termination of this Agreement for any reason this Clause 14 and those provisions of this Agreement which are expressed, or the context of which requires them, to have effect on or at any time after the termination of this Agreement (which it is agreed shall include, without limitation, Clauses 5.2, 5.3, 7, 9, 10, 14, 19, 21 and 22), shall survive such termination and the Parties shall discharge their respective liabilities under all such provisions of this Agreement.

Cessation of Obligations

14.5 Subject to Clauses 14.3 and those provisions referred to or implied by Clause 14.4, neither Party shall have any further obligations to the other under this Agreement upon its termination.

Non-Recovery of Fees

14.6 In the event of any termination by either Party, subject to Clause 14.2 (a) and any accrued rights or claims outstanding at the effective date of termination the Licensee shall not be entitled to recover any part of the Fees.

15. ASSIGNMENT, SUB-CONTRACTING AND SUB-LICENSING

Right of ITSO to Sub-Contract Obligations

- 15.1 ITSO shall be entitled from time to time to sub-contract all or any of its obligations under this Agreement provided that such sub-contracts shall not materially alter the obligations herein that ITSO agrees to under this Agreement and all of ITSO's obligations under this Agreement shall be complied with by any such sub-contractor as if the sub-contractor were ITSO, and every breach of those obligations by the sub-contractor shall be a breach of ITSO and ITSO shall be liable to the Licensee as if such breach had been committed by ITSO itself.

Right of Licensee to Sub-Contract Obligations

- 15.2 The Licensee may sub-contract all or any of its obligations under this Agreement provided that where the Licensee sub-contracts a particular Function, all of the Licensee's obligations under this Agreement shall, insofar as they relate to the performance of that Function, be complied with by the sub-contractor as if the sub-contractor were the Licensee, and every breach of such obligations by the sub-contractor shall for the purposes of this Agreement be deemed to be a breach of the Licensee and the Licensee shall be liable to ITSO as if such breach had been committed by the Licensee itself.

16. VARIATION

Validity of Variation

- 16.1 Subject to Clauses 16.2 to 16.4, no variation of this Agreement shall be valid unless it is in writing and signed by or on behalf of both Parties.

Variation by "ORAD" Process

- 16.2 The Licensee acknowledges that the Licensee's obligations set out in Clause 5 and those of Schedules A to F which apply to the Licensee and the scope and details of the Security Management Service and the Security Management Service Standards as listed in Schedule 4 may be varied from time to time in accordance with ITSO's Operating Regulations Amendment Document procedures from time to time (the current version of which is set out in the Members Guide published by ITSO).

Variation of Security Management Service

- 16.3 The Licensee acknowledges that ITSO may from time to time need to implement measures in response to a security breach or threat to the security of the Security Management Service or a change in Law. ITSO will, where appropriate, use reasonable endeavours to consult with ITSO Licensees prior to implementing such measures, and the Licensee acknowledges that ITSO may vary the Security Management Service or the terms of this Agreement to the extent necessary to implement such measures provided that the Security Management Service Standards and ITSO Service Standards will not be materially affected by such a change.

Extension of Obligations

- 16.4 The Licensee acknowledges that the Licensee's obligations under this Agreement may be extended from time to time to ensure that the equipment and systems used by the Licensee in performing the Functions pursuant to this Agreement are compatible with future versions of the ITSO Specification, but only where such changes are accepted

by ITSO Licensees in accordance with ITSO's policies in place from time to time. The current policy is set out in Schedule 3.

17. SEVERABILITY

- 17.1 If any provision of this Agreement shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Agreement which shall remain in full force and effect.
- 17.2 If any provision of this Agreement is so found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such modification(s) as may be necessary to make it valid and enforceable.

18. WAIVER

- 18.1 The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by Law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. A waiver of a breach of any of the terms of this Agreement or of a default under this Agreement does not constitute a waiver of any other breach or default and shall not affect the other terms of this Agreement. A waiver of a breach of any of the terms of this Agreement or of a default under this Agreement will not prevent a Party from subsequently requiring compliance with the waived obligation.

19. RIGHTS OF THIRD PARTIES

For the purpose of section 1(2) of the Contract (Rights of Third Parties) Act 1999 ("**the 1999 Act**") the Parties state that they do not intend any term of this Agreement to be enforced by any third party except that any third party right which exists or is available independently of the 1999 Act is preserved.

20. ENTIRE AGREEMENT

- 20.1 This Agreement and the documents referred to in it, constitute the entire agreement and understanding of the Parties and supersede any previous agreement between the Parties relating to the subject matter of this Agreement.
- 20.2 Each of the Parties acknowledges and agrees that in entering into this Agreement, and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, 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.
- 20.3 Nothing in this Clause 20 shall operate to limit or exclude any liability for fraud.

21. NOTICES

- 21.1 Any notice given under this Agreement shall be in writing and shall be served by delivering it personally or sending it by pre-paid recorded delivery or registered post (or registered airmail in the case of an address for service outside the United Kingdom) or fax to the address and for the attention of the relevant Party at the address set out at the beginning of this Agreement or at such other address as may be notified by that Party in accordance with the terms of this Clause. Any such notice shall be deemed to have been received:

- (a) if delivered personally, at the time of delivery;
- (b) in the case of pre-paid recorded delivery or registered post, 48 hours from the date of posting;
- (c) in the case of registered airmail, 5 days from the date of posting; and
- (d) in the case of fax, at the time of transmission

provided that if deemed receipt occurs before 9am on a Business Day the notice shall 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 shall be deemed to have been received at 9am on the next Business Day. In proving such service it shall be sufficient to prove that the envelope containing such notice was addressed to the notified address of the relevant Party and delivered either to that address or into the custody of the postal authorities as a pre-paid recorded delivery, registered post or airmail letter, or that the notice was transmitted by fax to the fax number of the relevant Party notified by that Party in accordance with the terms of this Clause.

21.2 Notice given under this Agreement shall not be validly served if sent by e-mail or if posted on an Internet website save in respect of Schedule 7 where notification by email is acceptable.

22. DISPUTE RESOLUTION

22.1 In the event that the Licensee has any Dispute which has not been resolved between the Parties:-

- (a) the Licensee shall notify the Company Secretary of ITSO of the details of any Dispute, requesting the matter to be registered as a Dispute;
- (b) ITSO shall acknowledge receipt of such notice and shall, within 5 Business Days of receipt of such notice, and with the co-operation of the Licensee, investigate whether the ITSO Procedures have been sufficiently utilised to resolve the Dispute;
- (c) if, following ITSO's investigation:
 - (i) ITSO determines that the ITSO Procedures have not been sufficiently utilised, the ITSO Company Secretary shall cause the ITSO Procedures to be utilised;
 - (ii) ITSO determines that the ITSO Procedures have been sufficiently utilised and if the matter is still in dispute, then the Dispute will be referred by the ITSO Company Secretary within 2 Business Days to *(print name of contact)* _____ in respect of the Licensee and the General Manager in respect of ITSO (the "Nominated Parties");

- (d) the Nominated Parties will meet within 10 Business Days of the referral under clause 22.1(c) to consider and resolve the Dispute. Each Party undertakes to use its reasonable endeavours to resolve the Dispute before the remaining provisions of this Clause 22 are invoked;
- (e) in the event that the Nominated Parties are unable to resolve the Dispute, then either Party may refer the Dispute to an Adjudication Panel to be agreed by the disputing Parties;
- (f) In the event that the Parties cannot agree within 5 Business Days of the referral in 22.1(e) on the composition of the Adjudication Panel then either of the Parties shall refer the matter to the Chartered Institute of Arbitrators to determine the composition of the said Adjudication Panel;
- (g) within 7 Business Days of appointment in relation to the Dispute, the Adjudication Panel shall acknowledge the appointment and require the Parties to submit in writing their respective arguments (and any responses within a further 7 Business Days after submission of their respective arguments), and shall as soon as reasonably practicable, in the Adjudication Panel's absolute discretion, notify the Parties whether a hearing is necessary in order to resolve the Dispute;
- (h) whether or not a hearing is held, the Adjudication Panel shall submit to both Parties, its written decision (including the action to be taken by each Party any award for costs and the timescales in which such action shall be taken) on the Dispute within 20 Business Days of appointment or alternatively within such other period as the Parties may agree after the appointment of the Adjudication Panel and:-
 - (i) the Adjudication Panel shall state in writing its reasons for its decision;
 - (ii) unless and until revised, cancelled or varied by a court of competent jurisdiction or otherwise settled between the Parties, the Adjudication Panel's decision shall be binding on both Parties, who shall forthwith give effect to the decision; and
 - (iii) (subject to paragraph (j) below) either Party shall be entitled to seek to enforce the decision of the Adjudication Panel in a court of competent jurisdiction and such an application shall not be considered a Dispute for the purposes of this Clause 22;
- (i) the Adjudication Panel shall act as experts and not as arbitrators and the provisions of the Arbitration Act 1996 and the law relating to arbitration shall not apply to the Adjudication Panel or to the procedure by which the Adjudication Panel reached its decision;
- (j) if:-
 - (i) both Parties agree that the Dispute should not be referred to adjudication under paragraph (d); or
 - (ii) either Party is dissatisfied with or otherwise wishes to challenge a decision of the Adjudication Panel;

then either Party may apply to the courts for resolution of the Dispute, which shall, for the avoidance of doubt have power to open up, review and revise any opinion, certificate, instruction, determination or decision of whatever nature given or made under this Clause 22 and to revise, vary or cancel the decision of the Adjudication Panel.

23. GOVERNING LAW & JURISDICTION

This Agreement shall be governed by and construed in accordance with the law of England and Wales and each of the Parties hereby submits to the exclusive jurisdiction of the English courts.

24. EXECUTION

This Agreement may be executed in one or more counterparts each of which shall be deemed to be an original but all of which together shall constitute one and the same agreement.

25. COSTS & EXPENSES

Each Party shall bear its own costs (including the fees of any legal or financial advisers) in relation to the preparation of this Agreement.

SIGNED BY:-)
)
)
.....)
for and on behalf of)
ITSO Limited)

SIGNED BY:-)
)
)
.....)
for and on behalf of **[Licensee]**)

SCHEDULE 1

FUNCTIONS

1. The following Schedule sets out the Functions to be carried out by the Licensee:

Function		Date of Commencement
Application Issuing	<input type="checkbox"/>	
Product Ownership	<input type="checkbox"/>	
Collection and Forwarding	<input type="checkbox"/>	
Product Retailing	<input type="checkbox"/>	
Service Operating	<input type="checkbox"/>	

2. Where the Licensee wishes to carry out additional Functions to those indicated above, the Parties will mutually discuss any such amendments and where the Parties agree to add or vary the Functions currently undertaken by the Licensee any such variation shall be agreed in writing by the Parties pursuant to Clause 16 of this Agreement. In principle the Parties will follow the procedure outlined below in implementing any such change:
- (a) each such request ("**Change Request**") shall be in the form mutually agreed by the Parties identifying the particular change requested;
 - (b) within seven (7) Business Days (or such other timescale as the Parties may decide) of a Change Request being served by the Licensee in accordance with paragraph 2(a) above, ITSO and the Licensee shall discuss the proposed change in good faith;
 - (c) any discussions, negotiations or other communications that may take place between ITSO and the Licensee in connection with any proposed change including but not limited to the submission of any written communications, prior to the signing by both Parties of a Change Request form, shall be without prejudice to the rights of either Party;
 - (d) If the Licensee wishes to pursue the Change Request further then within such period as the Parties may agree or, in default of agreement, within 14 Business Days of the date of the Change Request the following procedure shall be followed:
 - (i) the receipt of the Change Request by ITSO will constitute a request to ITSO to set out the following information:
 - (A) a summary of the proposed change;
 - (B) the date of the Change Request;
 - (C) the impact of the proposed change on the Fees or other obligations to be carried out under this Agreement;
 - (D) a description of the change that is proposed; and

- (E) any consequential changes which may be required under this Agreement including amendments to Schedule 7.
 - (ii) in which case ITSO will use all reasonable endeavours to supply the necessary details within ten (10) Business Days from receipt of the Change Request or such other period as may be agreed by the Parties.
- (e) upon acceptance of a Change Request, the Change Request form shall be signed by ITSO and the Licensee and this shall constitute a Change to the Agreement. Until such time as any change is formally agreed, each Party will, unless otherwise agreed, continue to perform any relevant obligations as if such change had not been requested or recommended;
- (f) each Change Request shall be given a sequential number which shall uniquely identify each change requested and/or accepted pursuant to this Schedule. A copy of each Change Request form or Change Request agreed shall be signed and filed by each Party;
- (g) for the avoidance of doubt any Disputes under this procedure will be dealt with in accordance with the Dispute Resolution Procedure; and
- (h) each Party shall bear its own costs in the preparation and negotiation of proposed changes.

SCHEDULE 2

TRADE MARKS


The following Trade Marks are licenced for use by the Licensee under this Agreement pursuant to Clause 3 of this Agreement:

"ITSO" - Trade Mark Position as of: October, 2006

Mark	Country	Appln. / Regn. No.	Appln. / Regn. Date	Class(es) / Goods / Registrant	Status
ITSO	U.K.	2308454	20/08/2002	<p>9: Cards with encoded strips; smartcards; electronic travel cards and apparatus for use therewith; electronic payment cards; smartcard readers, but none for telecommunications purposes.</p> <p>35: Business administration and management; business assistance in the operation of a smartcard scheme.</p> <p>39: Passenger transport services and provision of information relating thereto; transport consultancy services.</p> <p>42: Research and development services (for others) relating to passenger transport, smartcards and smartcard systems; preparation of technical studies and reports.</p> <p>Registrant: ITSO Limited</p>	Renewal Due 20/08/2012
ITSO	CTM	003234127	17/06/2003	<p>9: Electronic travel cards and apparatus for use therewith; cards with encoded strips; smartcards; payment cards and apparatus for use therewith; smartcard reading apparatus.</p> <p>35: Business administration and management services; services in operating a smartcard scheme and consultancy services relating thereto; business assistance services.</p>	Renewal Due 17/06/2013

Mark	Country	Appln. / Regn. No.	Appln. / Regn. Date	Class(es) / Goods / Registrant	Status
				<p>39: Passenger transport services and provision of information relating thereto; services in operating a travel card system and consultancy services relating thereto; transport consultancy services.</p> <p>42: Research and investigations relating to passenger transport; preparation of studies and reports; services in developing and operating a smartcard system; development of computer apparatus and computer software.</p> <p>Registrant: ITSO Limited</p>	
ITSO	U.S.A.	3078444	11/04/2006	<p>9 (US Classes 21, 23, 26, 36 & 38): Encoded electronic chip cards for payment transactions; electronic travel cards and apparatus for use therewith, electronic payment cards, blank smartcards; encoded magnetic cards or encoded smartcards containing programming for use in relation to use of public transport, toll bridges, tunnels, ferries, or for gaining access to premises; encoded smartcards containing programming for security use, identification purposes, storing personal data, or for use in membership or loyalty schemes, but none for telecommunications purposes; smartcard and electronic chip readers and viewers, but none for telecommunications purposes.</p>	Renewal Due 11/04/2016

Mark	Country	Appln. / Regn. No.	Appln. / Regn. Date	Class(es) / Goods / Registrant	Status
				<p>35 (US Classes 100, 101 & 102): Business administration and management services, namely, assisting in setting up a smartcard scheme for ticketing and payment transactions in the field of travel, public transport, road, bridge, tunnel and ferry tolls; assistance in the establishment or operation of a smartcard scheme in relation to security vetting, access to premises, identification, personal data storage and loyalty and membership schemes, payment transactions and transportation ticketing.</p> <p>39 (US Classes 100 & 105): Transportation of passengers by air, bus, train and boat; providing information about transportation of passengers by air, bus, train and boat; consultation services in the field of transport relating to trains, buses, airplanes, boats and to roads, tunnels and bridges.</p> <p>42 (US Classes 100 & 101): Research and development for new products and new technology for others in the field of passenger transport, smartcards and smartcard schemes; conducting of feasibility studies; preparing technical reports for others on new products and new technologies in the field of passenger transport, smartcards and smartcard schemes.</p> <p>Registrant: Integrated Transport Smartcard Organisation Ltd. (This name is being amended to ITSO Ltd)</p>	

Mark	Country	Appln. / Regn. No.	Appln. / Regn. Date	Class(es) / Goods / Registrant	Status
				<p><u>We still await your instructions as to whether you wish to incur costs to record the Change of Name to ITSO Limited for this mark.</u></p>	
	CTM	003637071	13/02/2004	<p>9: Electronic travel cards and apparatus for use therewith; cards with encoded strips; smartcards; payment cards and apparatus for use therewith; smartcard reading apparatus.</p> <p>35: Business administration and management services; services in operating a smartcard scheme and consultancy services relating thereto; business assistance services.</p> <p>39: Passenger transport services and provision of information relating thereto; services in operating a travel card system and consultancy services relating thereto; transport consultancy services.</p> <p>42: Research and investigations relating to passenger transport; preparation of studies and reports; services in developing and operating a smartcard system; development of computer apparatus and computer software.</p> <p>Registrant: ITSO Limited</p>	Renewal Due 13/02/2014

SCHEDULE 3

BACKWARDS/FORWARDS COMPATIBILITY POLICY

1. The ITSO Specification allows commercial innovation and development within the ITSO Environment.
2. The policy set out in this Schedule addresses where changes to the ITSO Specification, when implemented through the ITSO Specification Amendment Document process, would require the ITSO Licensee to make consequential changes to the manner in which it carries out a Function. The Licensee will only be required to make a change to the manner in which it carries out a Function if:
 - (A) one or more ITSO Licensees want to benefit from an upgrade to the ITSO Specification and to do this the relevant ITSO Licensee(s) is/are prepared to provide the resources to enable all the ITSO Environment to be upgraded and that all ITSO Members agree to the change proposed by the requisite ITSO Licensees and its implementation, "**A Sponsored Change**"; or
 - (B) all ITSO members agree to the change, its implementation and the shared method of resourcing required, "**A Consensus Change**".

Such changes would be deemed to be "**Mandatory Changes**" under this Agreement.

3. Other changes may be made to the ITSO Specification during the continuance of this Agreement which will not constitute Mandatory Changes. These are changes which the Licensee may wish to incorporate on written request to ITSO and ITSO shall keep the Licensee updated (and explain the effect of the proposed change) on any such changes which are not Mandatory Changes. ITSO shall also process non-Mandatory Changes using the ITSO Specification Amendment Document process. The policy is intended to allow ITSO Licensees to take advantage of such non-Mandatory Changes if requested.
4. The ITSO policy on Mandatory Changes is as follows:
 - (a) the policy set out in this Schedule may only be changed by a vote at an AGM or EGM of ITSO at which all those ITSO Members present and eligible to vote agree with any proposed change to the policy set out herein;
 - (b) the process by which ITSO will manage the evolution of the ITSO Specification is the ITSO Specification Amendment Document process, which encompasses full ITSO Member consultation and participation. The ITSO Specification Amendment Document process requires full consideration to be made of impacts in terms of operational and financial matters relating to ITSO Members as well as ITSO. The ITSO Specification Amendment Document process itself is documented in ITSO's Procedures.

- (c) changes to the ITSO Specification that, when implemented through the ITSO Specification Amendment Document process, would require any ITSO Licensee to make consequential changes to the manner in which it carries out a Function may only be implemented if:
 - (i) The ITSO Specification Amendment Document process has been correctly followed and;
 - (ii) The change proposed is either:
 - (A) ***A Sponsored Change***; or
 - (B) ***A Consensus Change***.

SCHEDULE 4

SECURITY MANAGEMENT SERVICE - SERVICE STANDARDS

1. **Service Standards**

1.1 **General considerations**

1.1.1 The Parties confirm that this Schedule 4 can be amended from time to time by both Parties agreeing to any such amendment in writing.

1.1.2 For the purposes of this Schedule the below mentioned terms shall have the meaning ascribed as follows:

“Business Day” means any day that is not a Saturday or a Sunday or a public holiday in England or Scotland;

“Priority One Fault or Incident” means an incident which affects the Security Management Service causing one or more of the following situations :-

- Outage of wider ITSO Environment, which affects the Licensee and any other ITSO Licensee, in more than one location;
- Full Absence of Security Management Service to all ITSO Licensees; or
- Absence of Security Management Service to the Licensee and any other ITSO Licensee in more than one location or organisation;

“Priority Two Fault or Incident” means an incident which affects the Security Management Service causing one or more of the following situations :-

- Partial absence of Security Management Service to the Licensee and any other ITSO Licensee;
- Full absence of Security Management Service to Security Management Service users in one location or organisation; or
- Significant degradation of elements of the Security Management Service

“Priority Three Fault or Incident” means an incident which affects the Security Management Service causing one or more of the following situations:-

Absence of Security Management Service to Security Management Service users in one location or organisation;
Service degradation; or
Information services not available

“RBS” means Royal Bank of Scotland the company currently responsible for the provision of the Security Management Service;

1.1.3 The Service Standards are dependant on the indicative activity levels set out in Appendix 1 to this Schedule (i.e. Document 1 – Volumetrics) ("**Document 1**"). The Parties acknowledge and agree that Document 1 will be updated from time to time by ITSO. Where any of the provisions in Document 1 change materially, meaning that the provisions set out in the tables below may need to be amended the Parties shall discuss in good faith the proposed amendments prior to any such change being made to this Schedule or any other aspects of this Agreement. Any such change shall only be made pursuant to Clause 16 of this Agreement.

1.1.4 If the volume of activity exceeds the levels listed in Document 1, the performance of the Security Management Service may be degraded and the Service Standards described may not be met although ITSO shall use all reasonable endeavours to ensure that the Service Standards are met or exceeded. Where there is a degradation in the performance of the Security Management Service:

- (a) ITSO will investigate the underlying causes of the failure to meet the Service Standards ("**Service Problem**"), undertake root cause analysis in respect of the Service Problem and preserve any data indicating the cause of the Service Problem;
- (b) ITSO will notify all ITSO Licensees (including the Licensee) of the degradation and Service Problem and the steps to be taken by ITSO to remedy any such problems including estimates of the time in which such remedial action will be put in place;
- (c) take whatever action is reasonably necessary to minimise the impact of the Service Problem and prevent it from recurring;
- (d) immediately (or as soon as is reasonably practicable) correct the Service Problem utilising additional resources as are required to remedy the failure and to begin meeting the Service Standards;
- (e) advise the Licensee and keep the Licensee fully informed and up-to-date of the status of the remedial efforts being undertaken with respect to the underlying cause of the Service Problem.

1.1.5 **Scheduled, General availability**

For the avoidance of doubt the period in which a measurable service element of the Security Management System as indicated in the Key Measure headings below is fully operational shall constitute "Availability" for the purposes of this Schedule. Availability figures set out in this Schedule shall exclude periods where the measurable service element is not available wholly due to a Disaster Recovery Event where the Disaster Recovery Plan is to be implemented until the Disaster Recovery Plan is actually implemented in which case the availability figures set out in this Schedule shall again be applicable. The Availability also excludes periods of Scheduled Downtime as described in paragraph 1.2 below.

Key Measure	Commissioning Phase	Full Managed Service
Availability of Core Security Management Service .	Business Hours on Business Days	During Business Hours
Availability of RBS Help Desk and Security Management staff	All reasonable endeavours to provide in Business Hours on Business Days	During Business Hours

"**Core Security Management Service**" shall mean that part of the Security Management Service that provides responses to security requests from Asset Management Systems.

"**RBS Help Desk**" shall mean a staffed point of contact for the purposes of providing support and assistance in the event of a problem with the Licensee's use of the Security Management Service.

1.2 **Scheduled Downtime**

From time-to-time, there will be periods where the Security Management System needs to be withdrawn from service for:

- (a) maintenance or service enhancement;
- (b) for pre-production testing of new software releases; and
- (c) for other management tasks such as rehearsal of the Disaster Recovery Plan

("Scheduled Downtime").

All periods in respect of Scheduled Downtime will be notified to the Licensee within a reasonable period of time in advance by ITSO before such Scheduled Downtime is due to occur.

1.3 **Un-scheduled Downtime**

There may be occasions when the Security Management Service will need to be withdrawn from service for unforeseen events where a Service Problem has arisen ("**Un-scheduled Downtime**"). In such circumstances the following Service Standards will be applicable although the general Service Standards for Availability will still be applicable if the Service Problem or unforeseen event is one where a reasonable provider should have foreseen and provided for the cause in question, or if such unavailability is attributable to a failure by ITSO to comply with the provisions of the Disaster Recovery Plan (unless the unforeseen event or Service Problem is due to a Force Majeure Event or failure affecting the operation of the Disaster Recovery Plan).

Key Measure	Commissioning Phase	Full Managed Service
Maximum consecutive days Un-scheduled Downtime	Security Management Service recovery is provided on the basis of reasonable endeavours	3 Business Days from start of the period of unavailability.
Maximum number of days downtime in any month	10 Business Days per calendar month	4 Business Days from the start of the period of unavailability.

1.4 Business Continuity (Including Disaster Recovery)

The following Service Standards cover ITSO's obligations with regard to the preparation and maintenance of the Disaster Recovery Plan:

Key Measure	Commissioning Phase	Full Managed Service
Currency of data maintained on Disaster Recovery site	Typically no more than two hours older than production site data	No more than two hours older than production site data
Verification of backed-up media	Once every twelve months	Once every six months
Rehearsal of Disaster Recovery Plan in the event of a Disaster Recovery Event	Once during Commissioning Phase	Every twelve months
Restoration of Security Management Service	Reasonable endeavours	Within 3 Business Days of Disaster Recovery Event being identified.
Notification to Licensees by ITSO of Disaster Recovery Event	Within 36 Business Hours	Within 7 Business Hours

1.5 Specific performance requirements

The following contain specific obligations of ITSO in respect of the performance of the Security Management Service:

Key Measure	Commissioning Phase	Full Managed Service
Completion of full Know your Customer checks	Reasonable endeavours 100% normally expected within 45 Business Days	80% within 14 Business Days from the point where the Customer has provided satisfactory evidence of identity 100% normally expected within 30 Business Days
Response to Requests received from Asset Management System	80% within four Business Days of request (from Asset Management System or ITSO staff) 100% normally expected within 7 Business Days	95% within 3 Business Days of request 100% normally expected within 4 Business Days of request
Security Management Service loads order details from ITSO Secure Application Modules supplier	80% within four Business Days of request (from AMS or ITSO staff) 100% normally expected within 7 Business Days	95% within 3 Business Days of request 100% normally expected within 4 Business Days of request
Security Management Service loads program updates from ITSO Secure Application Modules supplier	80% within four Business Days of request (from AMS or ITSO staff) 100% normally expected within 7 Business Days	95% within 3 Business Days of request 100% normally expected within 4 Business Days of request

Key Measure	Commissioning Phase	Full Managed Service
Security Management Service loads ITSO Secure Application Modules public keys provided by ITSO Secure Application Modules personaliser	80% within four Business Days of request (from AMS or ITSO staff) 100% normally expected within 7 Business Days	95% within 3 Business Days of request 100% normally expected within 4 Business Days of request
Security Management Service maintenance requests processed	80% within four Business Days of request (from AMS or ITSO staff) 100% normally expected within 7 Business Days	95% within 3 Business Days of request 100% normally expected within 4 Business Days of request

1.6 Incident Management

The following Service Standards relate to ITSO's response to Service Problems reported by the Licensee:

Key Measure	Commissioning Phase	Full Managed Service
Response to Priority One Fault or Issue	Reasonable endeavours 100% within 2 Business Days	80% within 2 Business Hours 100% within 4 Business Hours
Production of status report on Priority One Incident (and progress since report)	Reasonable endeavours	Every 2 Business Hours
Escalation of incident to higher level	N/A	8 Business Hours from initial response
Response to Priority Two Fault or Issue	Reasonable endeavours 100% within 3 Business Days	80% within 4 Business Hours 100% within 6 Business Hours
Production of Status report on Priority Two Incident (and progress since report)	Reasonable endeavours	Every 4 Business Hours
Escalation of incident to higher level	N/A	2 Business Days from initial response

Note that "Restoration of Security Management Service" excludes any remedial work to recover specific incident-related data. The Service Standard is based around an incident caused by a specific event (perhaps initiated by customer activity) causing service interruption to a wider audience. The Security Management Service Standard will be met when the service has been resumed to that wider audience. An incident-action-plan will set out the timescale for recovery of the local service that caused the incident.

In the event that there appears to be overlap in the determination of any fault priority then ITSO will accord the higher level of fault when reporting such matter to RBS.

SCHEDULE 4

APPENDIX 1 VOLUMETRICS

Document 1- Volumetrics 14/2/2006

1. For the purposes of this Schedule all times outside of Business Hours on Business Days (as defined at the head of this Schedule) are deemed to be outside of normal working hours.
2. The Service Standards envisage there being 15 ITSO Licensees split as follows: -
 - (a) 3 Product Retailers;
 - (b) 3 Product Owners;
 - (c) 3 Shell Owners;
 - (d) 3 Shell Retailers; and
 - (e) 3 Service Operators.
3. The Service Standards are based on there being 5000 ITSO Secure Application Modules.
4. The Service Standards are based on there being 2 Asset Managing ITSO Host Operator or Processing Systems.
5. The Service Standards are based on there being 14 Groups and Sub-Groups per Collection and Forwarding (Asset Managing ITSO Host Operator or Processing System). For the purposes of this Schedule a "**Group**" shall mean a collection of ISAMs and a "**Sub-Group**" shall mean a subsidiary collection of ISAMs.
6. The Service Standards are based on there being 200 ITSO Secure Application Modules per Group/Sub-Group (average).
7. The Service Standards are based on there being 5 ITSO Products and 5 ITSO Keys.
8. The Service Standards are based on there being 110 requests received from the Asset Management System by the Security Management Service per Business Day from each Asset Managing ITSO Host Operator or Processing System.
9. The Service Standards are based on there being 15 Security Requests that require ITSO Key generation per Business Day. For the purpose of this Schedule a "**Security Request**" means a message sent to the Security Management Service from an Asset Manager in a secure form requesting some action or actions from the Security Management Service.

10. The Service Standards are based on there being 240 Secure Data Frames sent to ITSO Secure Application Modules per Business Day. Therefore the maximum number of acknowledgements from ITSO Secure Application Modules received per Business Day is 240. For the purpose of this Schedule a "**Secure Data Frame**" means data destined for ISAMs within a secured packet. It ensures integrity of data and an audit trail for ISAM data updates. The Secure Data Frame links the ISAM data source and destination together.
11. The Service Standards are based on there being 1 concurrent ITSO Registrar Operator user at any one time. For the purposes of this Schedule an "**ITSO Registrar Operator**" means a member of the staff of ITSO whose role it will be to use the Registrar functions of the SMS.

SCHEDULE 5

ITSO AMS VPN CONNECTION ADDITIONAL OBLIGATIONS

1. This Schedule 5 relates to the usage of the ITSO AMS VPN service only, where the Licensee wishes to connect its Asset Management System to the Security Management Service, which is currently operated by RBS on behalf of ITSO. This Schedule does not apply to any other service offered by ITSO to the Licensee.
2. The Parties note that this Schedule 5 can be amended from time to time by both Parties agreeing in writing pursuant to the provisions of Clause 16 of this Agreement.
3. For the purposes of this Schedule the following definitions are applicable:

“Certificate”	means an X.509 v.3 compliant digitally signed data structure uniquely identifying the owner of the Certificate which is issued by RBS to the Licensee pursuant to the provisions set out in this Schedule 5;
“Certificate Management Form”	means the form to be used for the deletion, suspension and re-activation of the Licensee for the service that is provided under the terms of this Schedule 5;
“Hardware”	means any equipment provided to the Licensee by RBS for use of the Service including any updates issued to the Licensee;
“Identity Certificate”	means a Certificate that is issued by an Licensee to a subscribing customer to enable the subscribing customer to create digital signatures;
“RBS”	means Royal Bank of Scotland the company currently responsible for the provision of the Security Management Service;
“Software”	means the Software provided, or otherwise made available, from time to time in connection with the Service;
“Service”	means the Service provided by ITSO to the Licensee under this Schedule 5 of the Agreement which is more particularly described in paragraph 3.1 below;
“User Instructions”	means any guidance, advice, notification, letter or other communication from ITSO or RBS to the Licensee that defines or otherwise explains how to use the Service or any part(s) of it;

1. Application for the Additional Obligations

- 1.1 The Licensee shall make an application to ITSO to enable the Licensee to connect its Asset Management System to the Security Management Service using the HOPS and AMS Details Ref. 3M form which can be found in the Major Forms Handbook.

2. Certificates

- 2.1 ITSO and RBS shall not unreasonably refuse to provide or unreasonably withhold a Certificate from the Licensee enabling the Licensee to use the Service where the Licensee has successfully completed the 'Know your Customer' checks and complied with ITSOs terms and conditions.
- 2.2 ITSO will provide the Service to the Licensee under the terms and conditions of this Schedule 5 unless and until this Schedule 5 is varied pursuant to the terms of this Agreement or until the Licensee has its Certificate withdrawn in accordance with this Schedule 5.
- 2.3 ITSO and RBS (acting properly, in good faith and not vexatiously) may suspend Certificates issued to Licensees to protect the legitimate interests of ITSO, RBS or the other ITSO Licensees. ITSO will, in the circumstances where Certificates are suspended, notify the relevant party as to why the Certificates have been suspended. ITSO shall indemnify the Licensee for any losses, claims or other damages incurred by the Licensee as a result of any such Certificate is wrongfully suspended or suspended in error by ITSO.

3. Permitted Use of the Service and the Responsibilities of the Licensee

- 3.1 The Service shall consist of the following:
- (a) the provision of facilities (and where appropriate equipment) to allow the Licensee to use digital signatures to confirm the Licensee's identity in communication with the ITSO Security Management Service and the verification of the identity of parties sending communications including their digital signatures to or from the Licensee; and
 - (b) the validation and authentication of digital signatures used to sign data and/or other communications received from ITSO or RBS or the Licensee (the "**Service**").
- 3.2 The Licensee shall promptly comply with such User Instructions as ITSO or RBS may issue from time to time. User Instructions may be issued by phone, fax, e-mail or Point of Service Terminal or may be posted on a web site the address of which ITSO shall notify to the Licensee from time to time.
- 3.3 The Licensee must not use its Certificates, or the Security Management Service in connection with anything that:
- (a) is illegal, unlawful or otherwise prohibited under any Law;

- (b) involves any transaction for which the Licensee is not acting as a principal or as agent for a principal that has been disclosed to ITSO in writing;
 - (c) is abusive, indecent, menacing, obscene, offensive, defamatory, in breach of confidence; or
 - (d) is in breach of any Intellectual Property Rights or other third party rights.
- 3.4 The Licensee is responsible for the supply and maintenance of the computer system(s) required at its sites to enable the Licensee to receive and use the Service, and for ensuring compliance with the minimum configuration requirements specified by ITSO or RBS for the time being and from time to time. The Licensee is responsible for obtaining any extra Hardware and Software needed to ensure that computer systems are, and continue to be, compatible with the Service and for the cost thereof.
- 3.5 The laws of some countries restrict the use, import or export of encryption Hardware and Software. Where the Licensee takes the Software (or any computer on which it is installed) to any other country, the Licensee undertakes to fully comply with local laws and regulations relating to their export and in particular the Licensee undertakes to obtain any licence or approval that may be required.
- 3.6 The Licensee will verify and warrant the accuracy of all information supplied to ITSO or RBS in relation to the Service. The Licensee will promptly notify ITSO or RBS of any changes to the information.
- 3.7 Before relying upon a digital signature generated by the Licensee, the Licensee shall authenticate and validate the signature using the Service.
- 3.8 Where the Licensee is to obtain Hardware or Software from RBS it shall be on the basis of the terms and conditions agreed between RBS and the Licensee from time to time.

4. Revocation of the Licensee's Certificate

- 4.1 If ITSO or RBS wish to revoke or suspend the Licensee's Certificate then ITSO shall notify the Licensee of its intention to do so. A Certificate may only be revoked or suspended pursuant to the reasons set out in paragraphs 2.3 or 3.3 above or as a result of the termination or expiry of this Agreement.

5. Responsibility for Digital Transmissions

- 5.1 Provided that the Certificate issued by RBS to the Licensee has been correctly confirmed through the VPN Service as not having expired, been suspended or revoked then the Licensee will be responsible for data and other communications signed digitally using such Certificates issued by RBS to the Licensee.

6. Service Support/Availability & Performance

- 6.1 The Service will be made available 24 hours per day, 365 days per year, subject to the terms of this Schedule 5. End to end performance throughout the Service cannot be guaranteed as it is formed from a number of services which are outside ITSO's control, subject to
- (a) Internet communication services, and
 - (b) the Licensee's own computer system.
- 6.2 RBS and ITSO will provide support for the Service to the Licensee, as a part of the Fees specified by ITSO in Pricing Structure which may be varied from time to time only pursuant to the terms of this Agreement.
- 6.3 ITSO or RBS shall provide the following support services:
- (a) access to a telephone Helpdesk and Security Line on Business Days to provide for:
 - (i) general advice and guidance relating to usage of the Service, completion of forms and any other aspects of the Service;
 - (ii) technical support and guidance relating to the Hardware and Software;
 - (iii) the reporting of instances, or suspected instances, of breaches of security; and
 - (iv) any requests for the issue of Certificates, suspension, re-activation and revocation together (the "**AMS/VPN Support Services**").
 - (b) provision of replacement Hardware and Software (media) where appropriate where the original becomes faulty or is lost / stolen and is correctly reported as a security compromise: on such terms to be agreed between RBS and the Licensee from time to time; and
 - (c) the provision of configuration and operational changes as determined and distributed by ITSO or RBS from time to time in the form of User Instructions.
- 6.4 ITSO and/or RBS shall not be obliged to provide support in respect of:
- (a) improper installation, use, operation or neglect of any provided Hardware and Software;
 - (b) use of the Hardware and Software for purposes for which it was not designed which is not expressly set out in any accompanying documentation or specified by ITSO;

- (c) any repair, alteration or modification of the Hardware or Software (in whole or in part) other than by ITSO or RBS, without prior written consent or in breach of the terms of this Schedule 5;
- (d) where applicable, failure to install within a reasonable time any new release of Hardware or Software issued to the Licensee by RBS;
- (e) the Licensee's use of a computer system other than as reasonably specified in User Instructions issued by RBS;
- (f) any unforeseeable impact on the existing applications on the Licensee's computer system;
- (g) any Hardware or Software supplied by a third party, unless agreed by ITSO or RBS in writing;
- (h) failure to comply with User Instructions, or this Schedule 5; or
- (i) the introduction by the Licensee of any Virus or other malicious code.

6.5 In the event that RBS agrees to undertake additional support (which is not included in the AMS/VPN Support Services), the Licensee will be advised of and agree any costs payable in respect of such additional support before the additional support is provided.

6.6 In the event that the Licensee is aware of a failure to provide the Service, the Licensee shall inform ITSO or RBS.

7. Communication Between the Parties

7.1 The Parties will provide any formal notices or documentation to the other under the provisions of Clause 21 of the Agreement.

7.2 ITSO may act on any instruction that ITSO receives relating to the Service that has been signed by an authorised signatory of the Licensee or otherwise reasonably appears to have been sent by the Licensee's authorised signatory.

7.3 ITSO may refuse to carry out an instruction and endeavour to notify the Licensee promptly thereafter, if ITSO reasonably believes that:

- (a) the instruction is invalid and not from an authorised signatory;
- (b) the instruction has not come from the Licensee; or
- (c) carrying out the instruction would result in a breach of the terms of this Schedule 5.

8. Transfer of Information

- 8.1 ITSO and RBS will ensure that all information about the Licensee and the Licensee's business received by or on behalf of ITSO or RBS in connection with the Service is kept confidential and is not disclosed to any third party.
- 8.2 Any such information shall be treated as Confidential Information for the purposes of this Agreement and to the extent that such Confidential Information contains any Personal Data (within the meaning of the Data Protection Act 1998), ITSO agrees to (and shall procure that its employees, agents and sub-contractors including without limitation RBS) comply with the obligations set out in this Agreement at Clause 7 with regard to the processing of such information.

9. Liability and Indemnity

- 9.1 ITSO and RBS will prior to the delivery of any Software or Hardware or any upgrade, new release or other enhancement correction or development use its best endeavours and the most up-to-date software available to test the same for (and delete) all Software Viruses known by ITSO at the date of delivery.
- 9.2 Nothing in this Schedule 5 shall limit either Party's liability for death or personal injury resulting from its negligence or breach of this Schedule 5.
- 9.3 ITSO expressly disclaims any warranty that data or communications sent or received through the Service meet local legal requirements to effect a binding transaction or produce material that will be admissible as evidence in legal proceedings.
- 9.4 Subject to any liability in respect of the Software or Hardware provided by ITSO or any obligations set out in this Agreement relating to the provision of the Software or Hardware by ITSO to the Licensee (for which ITSO shall remain liable) the Licensee shall indemnify (subject to the caps on liability set out in Clause 10 of this Agreement) ITSO for any liability or loss incurred by ITSO resulting from the Licensee's or its sub-contractors:
 - 9.4.1 use of Hardware and/or Software and any electronic messages or communications sent using the Service where such actions have been carried out outside of the scope of this Schedule 5 or outside of the written instructions of ITSO;
or
 - 9.4.2 failure to comply with the terms of this Schedule 5.

10. Suspension of Service

- 10.1 ITSO and RBS reserve the right to suspend the Service for repair, maintenance, and/or upgrade work and will endeavour to give the Licensee such reasonable notice as circumstances permit do not guarantee to be able to do so in all cases. Notice may be given by facsimile, e-mail, posted on a web site (the address of which shall be notified to the Licensee), by phone or by post.
- 10.2 ITSO and RBS reserve the right to suspend the Service where the Service has not been accessed during the immediately preceding 90 day period.
- 10.3 Where access to the Licensee has been suspended, ITSO or RBS may reactivate access to the Service if the Licensee instructs ITSO or RBS by submitting a request for reactivation.

SCHEDULE 6

ITSO SERVICE STANDARDS

1. This Schedule 6 may be varied from time to time by ITSO by written agreement with the Licensee.
2. ITSO shall work to maintain the following performance levels in its dealings with the Licensee and other ITSO Licensees or potential ITSO Licensees. ITSO shall ensure that:
 - (a) the provision of an acknowledgement of receipt of application forms for an Operating Licence, ITSO Application and Product Registration(s) from the Licensee or an ITSO Member is processed within 2 Business Days of receipt;
 - (b) upon receipt of duly and properly completed ITSO Application forms for an Operating Licence, ITSO Applications and Product Registration(s) from a Licensee or ITSO Members, it shall issue appropriate invoice(s) to the Licensee or ITSO Member within 5 Business Days;
 - (c) upon receipt of payment for the invoices described in paragraph (b) above it enters the relevant information on the Security Management Service within 10 Business Days. (Note that some information cannot be entered until the relevant Asset Management System is connected to the Security Management Service and that in this case the period shall commence once ITSO is advised of the successful connection of the Asset Management System to the Security Management Service);
 - (d) following receipt of notification from the Asset Management System Provider that an HSAM is connected to the Security Management Service, shall enter the "relationship" information on Security Management Service for ITSO Shells and/or ITSO Product Entities within 2 Business Days;
 - (e) following provision of at least 5 Business Days notice by the Licensee, that the Licensee wishes to create HSAM or personalisation ITSO Secure Application Modules, ITSO shall authorise on the notified date each HSAM or ITSO Secure Application Module within 2 Business Hours from notification by the Asset Management System provider.

SCHEDULE A

OBLIGATIONS SPECIFIC TO APPLICATION ISSUING

Although the obligations set out in this Schedule A are obligations owed to ITSO by an Application Issuer, it is recognised that where the Application Issuer is not registered (with ITSO) as the owner of the relevant ITSO Application, certain of the obligations set out in this Schedule may instead be performed by the owner of the ITSO Application rather than the Application Issuer. In those circumstances the Application Issuer shall remain liable to ITSO for the acts or omissions of the owner of the ITSO Application in complying with those obligations as if that entity were the sub-contractor of the Application Issuer.

Data Integrity

- 1 The Licensee shall use all reasonable endeavours to maintain the integrity of Transaction Data or Administrative Data generated, transmitted or stored by it.

ITSO Application installation and identification

- 2 The Licensee shall ensure that each time it loads an ITSO Application onto Customer Media a unique identifier is recorded in accordance with the ITSO Specification. Where the Licensee loads an ITSO Application onto a Customer Media which already has Applications loaded onto it (other than ITSO Applications), the Licensee shall ensure that the Customer Media is electronically recognisable at each Point of Service Terminal and has a directory structure which can be interpreted.

Use of the ITSO Environment

3. The Licensee shall:-
 - (a) authorise ITSO, in relation to each ITSO Application loaded by it onto Customer Media (and/or procure that any other person registered by ITSO as the owner of the relevant ITSO Application so authorises ITSO as necessary), to distribute the ITSO Key that controls access to that ITSO Application to all ITSO Secure Application Modules that are from time to time in use for the purpose of carrying out ITSO Transactions and/or processing Transaction Data or Administrative Data. This will enable both the loading of any Product Instance onto that ITSO Application by any such ITSO Secure Application Modules and the use of such Product Instances in the ITSO Environment; and
 - (b) use all reasonable endeavours to ensure that, each time it loads an ITSO Application onto Customer Media, the capacity created on that Customer Media for loading Product Instances does not unreasonably exclude the ITSO Products of any Product Owner from being loaded onto that Customer Media; and

- (c) ensure that the terms and conditions:
 - (i) on which it issues Customer Media on which an ITSO Application has been loaded; or
 - (ii) on which it loads an ITSO Application onto Customer Media held by Customers;

are in each case drafted so that they do not limit the ITSO Products that may be loaded onto such Customer Media or require the Customers to make any payment in respect of the loading of any ITSO Products other than the appropriate payment due to the relevant Product Retailer.

Deployment of equipment

- 4. The Licensee shall ensure that it uses only ITSO Compliant Hardware and Software to carry out ITSO Transactions or process Transaction Data or Administrative Data, including the use of ITSO compliant Asset Management System software for the purpose of controlling and managing ITSO Secure Application Modules used by it.

Loss of equipment

- 5. The Licensee shall promptly notify ITSO if it becomes aware that any of the equipment which it uses in the performance of the Function of Application Issuing and which contains an ITSO Secure Application Modules is lost or stolen.

Customer support

- 6. The Licensee shall ensure that adequate support facilities are made available to Customers in respect of ITSO Applications issued by the Licensee and, in particular, shall ensure that:
 - (a) each Customer Media issued by it and on which it has loaded an ITSO Application has printed or otherwise displayed on it a telephone help line number where this is technically feasible and that where it loads an ITSO Application onto a Customer Media already held by a Customer, that telephone help line number is otherwise provided to the Customer;
 - (b) telephone support is available for such Customers on the telephone number referred to in paragraph 6(a) above during Business Hours;
 - (c) where a Customer seeks support or assistance in relation to a Product Instance loaded on an ITSO Application issued by the Licensee, the Customer is transferred or referred to the appropriate telephone help line for the Product Instance loaded on the Customer's Customer Media (where this is separately provided by the relevant Product Owner); and
 - (d) the telephone number at which such telephone support is available is notified to ITSO.

Use of the ITSO Logo

7. The Licensee shall ensure that at all premises which are owned, occupied or controlled by the Licensee or in which the Licensee has any legal interest or which are the subject of a licence in favour of the Licensee, and at which Customers may visit either:
 - (a) to be issued with Customer Media onto which ITSO Applications have been loaded; or
 - (b) at which ITSO Applications are loaded onto Customer Media already held by the Customer,

the ITSO Logo is clearly displayed at or inside the entrance to such premises, PROVIDED THAT such display does not cause the Licensee to breach any legal obligations to any third party with regard to the positioning of the ITSO Logo. For the avoidance of doubt this obligation does not in any way excuse, exclude or limit any liability which ITSO may have in respect of any potential infringement of third party rights due to the display of the ITSO Logo.

Retention of data

8. The Licensee shall retain, in a format that can be used to replicate each ITSO message and in a form that can be instantly accessed, all Transaction Data generated by the Licensee, for a period of at least sixty four weeks or such other reasonable period as may be notified to the Licensee by ITSO from time to time.

SCHEDULE B

OBLIGATIONS SPECIFIC TO COLLECTION AND FORWARDING

Data integrity

1. The Licensee shall use all reasonable endeavours to maintain the integrity of Transaction Data or Administrative Data transmitted and stored by it.

Retention of Transaction Data

2. The Licensee shall retain, in a format that can be used to replicate each ITSO Message and in a form that can be instantly accessed, all Transaction Data generated by the Licensee for a period of at least sixty four (64) weeks or such other reasonable period as may be notified to the Licensee by ITSO from time to time.

Deployment of equipment

3. The Licensee shall ensure that it uses only ITSO Compliant Hardware and Software to process Transaction Data or Administrative Data, including the use of ITSO compliant Asset Management System software for the purpose of controlling and managing ITSO Secure Application Modules used by it.

Loss of equipment

4. The Licensee shall promptly notify ITSO if it becomes aware that any of the equipment which it uses in the performance of the Function of Collection and Forwarding and which contains an ITSO Secure Application Module are lost or stolen.

Collection of Transaction Data and Polling of ITSO Secure Application Modules

5. The Licensee shall ensure, so far as it is able to do so, that:-
 - (a) Transaction Data from at least 90 per cent of all operational ITSO Secure Application Modules in respect of which the Licensee performs the Function of Collection and Forwarding Operator is collected by the Licensee at least once per Business Day and that no Transaction Data is collected more than 7 Business Days after the relevant ITSO Transaction;
 - (b) Transaction Data from all operational ITSO Secure Application Modules in respect of which the Licensee performs the Function of Collection and Forwarding Operator is Polled or collected by the Licensee frequently to prevent such ITSO Secure Application Modules being rendered inoperable due to the available memory being full; and
 - (c) Transaction Data from any ITSO Secure Application Modules in respect of which the Licensee performs the Function of Collection and Forwarding Operator that are likely to be out of use for a period of more than 7 Business Days is collected by the Licensee as soon as reasonably practicable after such ITSO Secure Application Modules are taken out of use.

Compliance with ITSO Data Protocols

6. Each time the Licensee collects or forwards Transaction Data or Administrative Data, it shall:
 - (a) detect and verify the authenticity of the Transaction Data or Administrative Data using ITSO Keys distributed to the Licensee as part of the Security Management Service pursuant to Clause 4.1(e) and validate the seal on that data; and
 - (b) record the Transaction or Administrative Data in accordance with the ITSO Data Protocols.

Transmission of Not On Us Data

7. The Licensee shall transfer Not On Us Data to the relevant Collection and Forwarding Operators within 1 Business Day of receipt by the Licensee and the Licensee shall not discriminate between other Collection and Forwarding Operators in discharging this obligation, which shall be carried out free of any charge to the Collection and Forwarding Operators to whom the Not On Us Data is transferred (provided that this obligation shall not operate to prevent the Licensee recovering the costs of compliance through its contractual arrangements with Application Issuers, Product Owners, Service Operators or other ITSO Licensees).

Receipt of On Us Data

8. The Licensee shall collect On Us Data from other Collection and Forwarding Operators and shall forward the On Us Data to the appropriate Function or as it shall direct.

SCHEDULE C

OBLIGATIONS SPECIFIC TO PRODUCT OWNERSHIP

Registration of ITSO Products

1. Each time the Licensee wishes to register an ITSO Product, the Licensee shall provide ITSO with all information reasonably requested by ITSO in order to determine whether the proposed ITSO Product qualifies for registration, including:-
 - (a) such information as is required to be submitted under ITSO's process for the registration of ITSO Products, as issued from time to time by ITSO the current version of which is set out in the Major Forms Handbook;
 - (b) details of the nominated Collection and Forwarding Operator for the proposed ITSO Product;
 - (c) the name and contact details of the person who will have the contractual relationship with Customers in relation to the acquisition and use of Product Instances of that ITSO Product (where this is not the Licensee);
 - (d) certification that all the necessary contractual relationships are in place to ensure the successful operation of the proposed ITSO Product; and
 - (e) (where applicable) a statement that the proposed ITSO Product consists of stored travel rights (as referred to in the ITSO Specification).

Verification of contractual relationships

2. The Licensee shall allow the ITSO Registrar, upon reasonable notice, to inspect relevant documents and records of the Licensee, including contracts between the Licensee and other ITSO Licensees and contracts between the Licensee and its sub-contractors and agents in respect of ITSO Products, in order to verify that the Licensee has the necessary contractual relationships in place to ensure the successful operation of any ITSO Product of which it is the Product Owner. Any such documents inspected and any reports produced by ITSO in this respect shall be deemed to be Confidential Information for the purposes of this Agreement.

Data integrity

3. The Licensee shall use all reasonable endeavours to maintain the integrity of Transaction Data or Administrative Data received or stored by it.

Retention of Data

4. The Licensee shall retain, in a format that can be used to replicate each ITSO Message and in a form that can be instantly accessed, all Transaction Data generated by the Licensee, for a period of at least sixty four weeks or such other reasonable period as may be notified to the Licensee by ITSO from time to time.

ITSO Product Warranty

5. The Licensee warrants that each ITSO Product registered by it or in respect of which it is from time to time the Product Owner is and shall continue to be:-
 - (a) suitable for loading within an ITSO Application that has been loaded onto a Customer Media;
 - (b) (insofar as it is within the control of the Licensee) operated only with ITSO Applications; and
 - (c) (insofar as it is within the control of the Licensee) used only for legal purposes and not for any purpose which may be detrimental to any other ITSO Licensee, where detriment does not include detriment to another Licensee which is solely of a commercial nature in the normal course of business.

Product Retailing

6. Except where it is itself licenced to carrying out the Function of Product Retailing, the Licensee shall enter into contracts for the retailing of its registered ITSO Products only with ITSO Licensees licensed by ITSO to carry out the Function of Product Retailing, and shall not (in its capacity as Product Owner) create a direct contractual relationship with any person other than such ITSO Licensees for the purpose of loading Product Instances.

Service Operating

7. The Licensee may be licenced itself to carry out the Function of Service Operating and may do so solely on its own behalf. The Licensee may also enter into contracts for the acceptance of its registered ITSO Products in return for the provision of services to Customers. Where it so does, the Licensee shall enter into contracts only with:-
 - (a) ITSO Licensees licenced by ITSO to carry out the Function of Service Operating;
 - (b) persons to whom a sub-licence has been granted in respect of the Function of Service Operating either by the Licensee itself under Clause 15 of this Agreement or by another ITSO Licensee under the equivalent clause of the ITSO Licensee's Operating Licence; or

- (c) persons who are not ITSO Licensees or sub-licensed under paragraph (b) but who have been notified to ITSO by the Licensee as performing the Function of Service Operating (and not any other Function) in relation to its registered ITSO Products and subject to the Licensee using all reasonable endeavours to ensure that such persons comply with the Licensee's obligations under this Agreement to the extent that they relate to the performance of that Function as if such persons were ITSO Licensees licenced to perform the Function of Service Operating;

and the Licensee shall not (in its capacity as Product Owner) create a direct contractual relationship with any other person for the purpose of providing services in exchange for Product Instances loaded onto Customer Media.

Customer Support

- 8. The Licensee shall ensure that adequate support facilities are made available to Customers in respect of Product Instances for which it is the Product Owner and, in particular, shall ensure that:
 - (a) telephone support is available for such Customers during Business Hours; and
 - (b) the telephone number at which such telephone support is available is notified to ITSO.

Responsibility for other ITSO Licensees

- 9. Where the Licensee is not itself responsible for performing all other relevant Functions in respect of the ITSO Products of which it is the Product Owner, it shall use all reasonable endeavours to ensure that the ITSO Licensee or ITSO Licensees who is/are so responsible shall fulfil its/their obligations under its/their Operating Licence in respect of:-
 - (a) use of the ITSO Logo and the ITSO name;
 - (b) customer support;
 - (c) deployment of Hardware and Software;
 - (d) collection of Transaction Data and Polling of ITSO Secure Application Modules;
 - (e) transmission of Transaction Data and Polling of ITSO Secure Application Modules; and
 - (f) transmission of Not On Us Data.

SCHEDULE D

OBLIGATIONS SPECIFIC TO PRODUCT RETAILING

Data integrity

- 1 The Licensee shall use all reasonable endeavours to maintain the integrity of Transaction Data or Administrative Data generated, transmitted or stored by it.

Use of the ITSO Logo

2. The Licensee shall ensure that at all premises and on any vehicles engaged in ITSO Functions which are owned, occupied or controlled by the Licensee or in which the Licensee has any legal interest or which are the subject of a licence in favour of the Licensee, and at which Customers can visit to load Product Instances onto or have Product Instances removed from Customer Media held by or supplied to them:-
 - (a) the ITSO Logo is clearly displayed provided that such display does not cause the Licensee to breach any legal obligations to any third party with regard to the positioning of the ITSO Logo. For the avoidance of doubt this obligation does not in any way excuse, exclude or limit any liability which ITSO may have in respect of any potential infringement of third party rights due to the display of the ITSO Logo;
 - (b) the ITSO Logo is clearly displayed on or within two metres of each point of service at which an ITSO Transaction can be carried out by Customers provided that such display does not cause the Licensee to breach any legal obligations to any third party with regard to the positioning of the ITSO Logo;
 - (c) the ITSO Logo is clearly displayed in hard copy format on each piece of small equipment (such as hand-held devices) on which an ITSO Transaction can be carried out by Customers or, where this is not practicable, that each such piece of small equipment carries the ITSO name in some other format approved by ITSO; and
 - (d) the ITSO Logo or, where this is not possible, the ITSO name in some other format approved by ITSO is, while the loading of Products is taking place, clearly displayed on the screens of all unmanned customer facing terminals at which Customers can load Product Instances subject to this being reasonably practicable in the particular circumstances and not entailing disproportionate costs.

Product loading and identification

3. The Licensee shall ensure that each time it loads a Product Instance onto or removes a Product Instance from Customer Media a unique identifier is recorded in accordance with the ITSO Specification.

Deployment of Equipment

4. The Licensee shall ensure that it uses only ITSO Compliant Hardware and Software to carry out ITSO Transactions and to process Transaction Data or Administrative Data, including by using ITSO compliant Asset Management System software for the purpose of controlling and managing ITSO Secure Application Modules used by it.

Loss of Equipment

5. The Licensee shall promptly notify ITSO if it becomes aware that any of the equipment which it uses in the performance of the Function of Product Retailing and which contains an ITSO Secure Application Modules is lost or stolen.

Transmission of Transaction Data and Polling of ITSO Secure Application Modules

6. The Licensee shall ensure that:-
 - (a) Transaction Data from at least 90 per cent of all operational ITSO Secure Application Modules used by it for the purposes of loading Product Instances onto Customer Media is transmitted to the Product Retailer's Collection and Forwarding Operator at least once per Business Day and that all Transaction Data is transmitted to the Product Retailer's Collection and Forwarding Operator (being the Collection and Forwarding Operator from whom the Licensee obtained the relevant Administrative Data to enable it to load the relevant Product Instances onto Customer Media) within 7 Business Days of the relevant ITSO Transaction;
 - (b) Transaction Data from all operational ITSO Secure Application Modules used by it for the purposes of loading Product Instances onto Customer Media is Polled sufficiently frequently to prevent such ITSO Secure Application Modules being rendered inoperable due to the available memory being full; and
 - (c) Transaction Data from any ITSO Secure Application Modules used by it for the purposes of loading Product Instances onto Customer Media that are likely to be out of use for a period of more than 7 Business Days is transmitted to the appropriate Collection and Forwarding Operator (being the Collection and Forwarding Operator from whom the Licensee obtained the relevant Administrative Data to enable it to carry out the relevant ITSO Transactions) as soon as reasonably practicable after such ITSO Secure Application Modules are taken out of use.

Sale of Product Instances to Customers

7. Each time the Licensee makes a sale or refund in relation to a Product Instance, it shall load that Product Instance onto the relevant Customer Media or remove that Product Instance from the relevant Customer Media, and shall:-

- (a) detect and verify the existence of an ITSO Application using ITSO Keys distributed to the Licensee as part of the Security Management Service pursuant to clause 4.1(e) and validate the seal on that data;
- (b) record the loading or removal of that Product Instance in accordance with the ITSO data protocols set out in the ITSO Specification; and
- (c) only load the Product Instances within an ITSO Application loaded onto the Customer Media.

Retention of data

- 8. The Licensee shall retain, in a format that can be used to replicate each ITSO Message and in a form that can be instantly accessed, all Transaction Data generated by the Licensee, for a period of at least sixty four weeks or such other reasonable period as may be notified to the Licensee by ITSO from time to time.

Point Of Service Terminal warranty

- 9. The Licensee warrants that each ITSO Point Of Service Terminal registered by it or in respect of which it is from time to time the user is and shall continue to be:
 - (a) certified as and fit for purpose as an ITSO Point of Service Terminal; and
 - (b) designed and maintained in such a manner so as to ensure that ITSO Applications and ITSO Products contained in Customer Media accessed by the Point Of Service Terminal are not modified, disabled or corrupted except where the Product Retailer has received permission from the ITSO Shell or Product Owner to modify or disable a Product then the Product Retailer may so modify or disable the ITSO Product in accordance with the permission granted provided always that such modification or disablement is carried in accordance with the ITSO Specification.

SCHEDULE E

OBLIGATIONS SPECIFIC TO SERVICE OPERATING

Data Integrity

1. The Licensee shall use all reasonable endeavours to maintain the integrity of Transaction Data or Administrative Data generated, transmitted or stored by it.

Use of the ITSO Logo

2. The Licensee shall ensure that at all premises and on any vehicles engaged in ITSO Functions which are owned, occupied or controlled by the Licensee or in which the Licensee has any legal interest or which are the subject of a licence in favour of the Licensee, and at which Customers can visit to load Product Instances onto or have Product Instances removed from Customer Media held by or supplied to them:-
 - (a) the ITSO Logo is clearly displayed at such premises provided that such display does not cause the Licensee to breach any legal obligations to any third party with regard to the positioning of the ITSO Logo. For the avoidance of doubt this obligation does not in any way excuse, exclude or limit any liability which ITSO may have in respect of any potential infringement of third party rights due to the display of the ITSO Logo;
 - (b) the ITSO Logo is clearly displayed on or within two metres of each point of service at which an ITSO Transaction can be carried out by Customers provided that such display does not cause the Licensee to breach any legal obligations to any third party with regard to the positioning of the ITSO Logo;
 - (c) the ITSO Logo is clearly displayed in hard copy format on each piece of small equipment (such as hand-held devices) on which an ITSO Transaction can be carried out by Customers or, where this is not practicable, that each such piece of small equipment carries the ITSO name in some other format approved by ITSO; and
 - (d) the ITSO Logo or, where this is not possible, the ITSO name in some other format approved by ITSO is, while the loading of Products is taking place, clearly displayed on the screens of all unmanned customer facing terminals at which Customers can load Product Instances subject to this being reasonably practicable in the particular circumstances and not entailing disproportionate costs.

Retention of Data

3. The Licensee shall retain, in a format that can be used to replicate each ITSO Message and in a form that can be instantly accessed, all Transaction Data generated by the Licensee for a period of at least sixty four weeks or such other reasonable period as may be notified to the Licensee by ITSO from time to time.

Deployment of Equipment

4. The Licensee shall ensure that it uses only ITSO Compliant Hardware and Software to carry out ITSO Transactions and to process Transaction Data or Administrative Data, including by using ITSO compliant Asset Management System software for the purpose of controlling and managing ITSO Secure Application Modules used by it.

Loss of equipment

5. The Licensee shall promptly notify ITSO if it becomes aware that any of the equipment, which it uses in the performance of the Function of Service Operating, is lost or stolen.

Transmission of Transaction Data and Polling of ITSO Secure Application Modules

6. The Licensee shall ensure that:-
 - (a) Transaction Data from at least 90 per cent of all operational ITSO Secure Application Modules used by it for the purposes carrying out ITSO Transactions is transmitted to the appropriate Collection and Forwarding Operator (being the Collection and Forwarding Operator from whom the Licensee obtained the relevant Administrative Data to enable it to carry out the relevant ITSO Transactions) at least once per Business Day and that all Transaction Data is transmitted to the appropriate Collection and Forwarding Operator within 7 Business Days of the relevant ITSO Transaction;
 - (b) Transaction Data from all operational ITSO Secure Application Modules used by it for the purposes of carrying out ITSO Transactions is Polled sufficiently frequently to prevent such ITSO Secure Application Modules being rendered inoperable due to the available memory being full; and
 - (c) Transaction Data from any ITSO Secure Application Modules used by it for the purposes of carrying out ITSO Transactions that are likely to be out of use for a period of more than 7 Business Days is transmitted to the appropriate Collection and Forwarding Operator (being the Collection and Forwarding Operator from whom the Licensee obtained the relevant Administrative Data to enable it to carry out the relevant ITSO Transactions) as soon as reasonably practicable after such ITSO Secure Application Modules are taken out of use.

Product usage and identification

7. The Licensee shall ensure that each time a Product Instance is used in exchange for the provision of a service a unique identifier is recorded in accordance with the ITSO Specification.

ITSO Point Of Service Terminal warranty

8. The Licensee warrants that each Point Of Service Terminal registered by it or in respect of which it is from time to time the user is and shall continue to be:
 - (a) certified as and fit for purpose as a Point of Service Terminal; and
 - (b) designed and maintained in such a manner so as to ensure that ITSO Applications and ITSO Products contained in Customer Media accessed by the Point Of Service Terminal are not modified, disabled or corrupted excepting that where the Service Operator has received permission from the ITSO Shell or Product Owner to modify or disable a product then the Service Operator may so modify or disable the ITSO Product in accordance with the permission granted provided always that such modification or disablement is carried in accordance with the ITSO Specification.

SCHEDULE F

OBLIGATIONS RELATING TO HOT ITSO APPLICATIONS AND HOT PRODUCTS

Hot ITSO Applications

1. The Licensee shall:
 - (a) promptly notify by use of a hot list formatted according to the ITSO Specification all other ITSO Licensees who may reasonably be detrimentally affected by the existence of a Hot ITSO Application:
 - (i) that the Hot ITSO Application exists;
 - (ii) of the potential detriment to those ITSO Licensees; and
 - (iii) (where applicable) the action it proposes to Nullify the Hot ITSO Application;
 - (b) ensure that such systems and procedures make adequate provision for the management of data regarding Hot ITSO Applications.

Hot Products

2. The Licensee shall:
 - (a) promptly notify by use of a hot list formatted according to the ITSO Specification all other ITSO Licensees who may reasonably be detrimentally affected by the existence of a Hot Product:
 - (i) that the Hot Product exists;
 - (ii) of the potential detriment to those ITSO Licensees; and
 - (iii) where applicable, the action it proposes to Nullify the Hot Product;
 - (b) ensure that such systems and procedures make adequate provision for the management of data regarding Hot Products.

Hot Lists

3. Where the Licensee performs the role of Collection and Forwarding the Licensee shall co-operate with other ITSO Licensees and comply with their reasonable requests in relation to:
 - (a) the collation and management of lists containing Hot ITSO Applications and Hot Products;
 - (b) the provision of lists containing Hot ITSO Applications and Hot Products to the ITSO Secure Application Modules or Point of Service Terminals of Product Retailers or Service Operator equipment for which the Licensee is Collection and Forwarding Operator, subject to compliance with any systems or limits or agreed procedures for

managing data and lists regarding Hot ITSO Applications or Hot Products;

- (c) ensuring that lists are updated in timely fashion having due regard to the ITSO Secure Application Modules or Point of Service Terminals of the Product Retailer or Service Operator to which the lists are sent, such that items are removed from the lists and new items added to maximise the benefit to all ITSO Licensees, whilst minimising so far as is possible the potential detriment to the Product Retailer or Service Operator, such that the maximum agreed capacity available to the Point Of Service Terminal is fully utilised.
4. Where the Licensee performs the function of Product Retailing or Service Operating the Licensee shall co-operate with other ITSO Licensees and comply with their reasonable requests in relation to:
- (a) the Nullifying of any Hot ITSO Application which any Customer Media holder presents to the Licensee for the purpose of loading or using Product Instances;
 - (b) the Nullifying of any Hot Product contained on Customer Media presented to the Licensee for the purpose of loading or using Product Instances on hot lists sent to the ITSO Secure Application Modules or Point of Service Terminals of the Product Retailer or Service Operator and stored within ITSO Secure Application Modules or Point of Service Terminals -subject to compliance with any systems or limits or agreed procedures for managing data regarding Hot ITSO Applications or Hot Products;
 - (c) any other action that may reasonably be undertaken in order to detect or prevent fraudulent, unlawful or improper issue or use of ITSO Applications or Product Instances.

SCHEDULE 7

PRICING STRUCTURE

1. The initial Licence Fee for the Licensee shall be **£1,140** which has been negotiated between the Licensee and ITSO and based on the published ITSO Pricing Structure. Subsequent annual Licence Fees shall be determined in accordance with Clause 2 below and based on the published ITSO Pricing Structure.

2.
 - 2.1 The annual Licence Fee has been estimated by the Parties by reference to **£500** (insert details of how calculation effected)¹ (hereafter defined for the purposes of this Schedule 7 as the agreed calculated basis).

 - 2.2 The Licence Fee paid shall be adjusted in accordance with the Agreed Calculation Basis on the production of audited accounts by the Licensee to ITSO and/or any relevant information provided by the Licensee to enable ITSO to verify the calculation in 2.1 above.

 - 2.3 Such accounts/information to be provided by the Licensee to ITSO within 20 Business Days of either the AGM of the Licensee or approval of the said accounts for transmission to the relevant taxation authority.

 - 2.4 ITSO shall within 10 Business Days of the receipt of information from the Licensee under Clause 2.3 above raise the relevant paperwork for payment or refund.

 - 2.5 Any payments or refunds resulting from Clause 2.2 above shall be made in accordance with Clause 6 of this Agreement.

3. In addition to the Licence Fee the Licensee is required to pay Transaction Fees. These fees are dependent upon the usage of any ITSO services by the Licensee.

ISMS Operational Fees	Initial £	Annual £	Notes
Asset Management Set-up	See pricing structure	See pricing structure	Invoiced upon application
IPA Registration	See pricing structure	See pricing structure	Invoiced upon application for registration of IPE's
IPE change	See pricing structure		Invoiced upon receipt of change request
ISAM Connection Fee	See pricing structure		Invoiced annually in advance with anniversary of first ISAM connection
Frame Download	See pricing structure		These will be invoiced once ITSO has received invoices from RBS.
Know Your Customer	See pricing structure		Invoiced once upon application from Licensee.
OID Change Fee	See pricing structure	-	

¹ This will include both capability for estimating future years and validating previous years Licence Fees.

The above charges do not include VAT and any delivery charges which will be notified in advance by ITSO to the Licensee.

4. All Fees will be subject to increase on an annual basis. The Board are authorised by the Articles and Memorandum of Association to increase the Fees by a maximum of the increase in RPI in each financial year plus 3%. An increase in excess of this will require a decision of a General meeting of the ITSO Members.
5. ITSO shall notify all Licensees of any Fee increases by providing 15 Business Days notice of such increase by email to the person the Licensee nominates to ITSO as being the appropriate contact.

SCHEDULE 8

FRAMEWORK AGREEMENT

This Framework Agreement is made on and with effect from _____ between the persons whose names and [registered offices/ principal place of businesses] are set out in Appendix 1 to this Framework Agreement and the signatory to this Framework Agreement.

BACKGROUND

- (A) Pursuant to and in accordance with their Operating Licence, Operating Licensees are required:
- (i) to be parties to this Framework Agreement;
 - (ii) (in common with other Operating Licensees) to at all times have in force and comply with the Operating Code (as defined below).
- (B) The Original Parties listed in Appendix 1 to this Schedule are parties to the Framework Agreement for the purpose of binding themselves to the obligations set out herein. Persons who enter into an Accession Agreement pursuant to this Framework Agreement are doing so for the purpose of binding themselves to the obligations set out in this Framework Agreement.

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION

- 1.1 In this Framework Agreement (except where the context requires otherwise), the following words shall have either the meanings set out in the Operating Licence or the following meanings:

"Accession Agreement " means an agreement substantially in the form of that set out in Appendix 3 to Schedule 8 as may be amended or varied by ITS0 from time to time;

"Effective Date" means with respect to:

- (i) the Original Parties, the date of this Framework Agreement; and
- (ii) any Party Applicant who is admitted as a Party to this Framework Agreement and (as respects such Party Applicant) the other Parties, the date of the relevant Accession Agreement;

"Framework Agreement" means this Framework Agreement;

"Group Company" means any Party's holding company (as that term is understood by reference to s736 of the Companies Act 1985 as amended) together with each direct and indirect Subsidiary of that Party's holding company for so long as it remains a Subsidiary;

"**ITSO**" means ITSO Limited, a company limited by guarantee (Registered Number 04115311) whose registered office is c/o Centro Room 122, 16 Summer Lane, Birmingham, West Midlands B19 3SD;

"**New Party**" means a person other than an Original Party who is admitted as a party to the Framework Agreement;

"**Operating Code**" means the code set out at Appendix 2 to this Framework Agreement;

"**Operating Licence**" means an operating licence granted by ITSO to an Operating Licensee;

"**Operating Licensee**" means the holder for the time being of an Operating Licence;

"**Original Parties**" means the persons whose names are set out in Appendix 1;

"**Party**" means, except as provided in paragraph 3, the Original Parties and each New Party;

"**Party Applicant**" means an Operating Licensee wishing to become a Party; and

"**Subsidiary**" means any company in which another has an interest of 50% or more.

1.2 In this Framework Agreement (except where the context otherwise requires):-

- (a) any reference to a paragraph or an Appendix is to the relevant paragraph or Appendix of or to this Framework Agreement and any reference to a sub-paragraph or paragraph is to the relevant sub-paragraph or paragraph of the paragraph or Appendix in which it appears;
- (b) the paragraph headings are included for convenience only and shall not affect the interpretation of this Framework Agreement;
- (c) use of the singular includes the plural and vice versa;
- (d) use of any gender includes the other genders;
- (e) any reference to "persons" includes any entity or grouping such as, but not limited to, natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations and trusts (in each case whether or not having separate legal personality);
- (f) any reference to a statute, statutory provision or subordinate legislation ("**legislation**") shall (except where the context otherwise requires) be construed as referring to:
 - (i) such legislation as amended and in force from time to time and to any legislation which (either with or without modification) re-

enacts, consolidates or enacts in rewritten form any such legislation; and

(ii) any former legislation which it re-enacts in rewritten form.

(g) The Appendices to this Framework Agreement attached hereto and any variations thereto form part of this Framework Agreement and shall have effect as if set out in full in the body of this Framework Agreement and any reference to this Framework Agreement includes the Appendices.

2. NEW PARTIES

2.1 A Party Applicant may be admitted as a New Party by execution and delivery of an Accession Agreement signed by such Party Applicant and ITSO and executing this Framework Agreement. Each Party hereby irrevocably and unconditionally authorises ITSO to execute and deliver on behalf of such Party any Accession Agreement duly executed by a Party Applicant, and to thereby admit such Party Applicant as a Party.

2.2 Upon execution and delivery of an Accession Agreement by both ITSO and the Party Applicant in accordance with Clause 2.1 and the execution of the Framework Agreement the Party Applicant shall become a Party.

3. DISCONTINUING PARTIES

3.1 A Party shall cease to be a Party in accordance with the terms of the Operating Code, in any of the following circumstances:

(a) the Operating Licence terminates for whatever reason; or

(b) a Party receives notice from ITSO that this Framework Agreement is terminated as a result of the Party's material breach of any provision in this Framework Agreement or the Operating Licence;

3.2 Any such termination shall be without prejudice to any provision of the Operating Code as to the continuance in force of any of its provisions as respects, or any rights, obligations and liabilities of, any such Party or, as respects such Party, any other Party.

4. FRAMEWORK AGREEMENT DISPUTES

4.1 In the event that any Party has a Dispute with any other Party to this Framework Agreement in respect of this Framework Agreement, or an Operating Licence ("Framework Dispute"), which has not been resolved within 10 Business Days, then any party to the Framework Dispute shall refer such Framework Dispute to all the Nominated Parties to the Framework Agreement and/or Accession Agreement. (For the purposes of this Schedule, Nominated Parties are defined as those persons notified from time to time by each Party to all the other Parties as being the contact for such purposes). The Nominated Parties have 10 Business Days to indicate to the party notifying them of a Framework Dispute that they are affected by the Framework Dispute. All the parties to the Framework Dispute resolve to use their reasonable endeavours to resolve the Framework Dispute before the remaining provisions of this Clause 4 are invoked.

- 4.2 In the event that the Nominated Parties of these parties who are affected by the Framework Dispute are unable to resolve the Framework Dispute within 10 Business Days, then the Framework Dispute may be referred to arbitration by one or more of the Parties to that Framework Dispute in accordance with the provisions of the Arbitration Act 1996, or any statutory modifications or re-enactments thereof for the time being in force.
- 4.3 In the event of a referral to arbitration under (b) above, such Framework Dispute shall be referred to a single arbitrator to be agreed upon by the parties to the Framework Dispute. In default of agreement within 5 Business Days to be nominated by the President for the time being of the Chartered Institute of Arbitrators.
- 4.4 Nothing in this clause 4 shall restrict any Party's ability to seek preliminary injunctive relief to prevent irreparable damage.

5. OPERATING CODE

- 5.1 With effect from the Effective Date, each Party undertakes to each other Party to comply with and to perform its obligations in accordance with and subject to the Operating Code.

6. LIMITATION OF LIABILITY

- 6.1 Nothing in this Framework Agreement shall limit a Party's liability (the "**Defaulting Party**") to any other Party (the "**Non-Defaulting Party**") for:
- (a) death or injury resulting from the Defaulting Party's negligence;
 - (b) fraud or fraudulent misrepresentation;
 - (c) any matter, liability for which the Defaulting Party cannot legally limit or exclude or attempt to limit or exclude.
- 6.2 Subject to Clause 6.1, the Defaulting Party's liability for any damages, costs, claims, expenses, interest or other liability arising out of the performance or non-performance by Defaulting Party (or by any person for whom the Defaulting Party may be liable vicariously) of its obligations under this Framework Agreement (whether by virtue of negligence or otherwise) shall be limited to £1million per event or series of connected events .
- 6.3 Notwithstanding the provisions of Clause 6.1 and 6.2 the Defaulting Party shall have no liability to the Non-Defaulting Party for any damage or loss arising out of any performance or non-performance by the defaulting party of any of its obligations under this Framework Agreement (whether by virtue of negligence or otherwise) which falls within any of the following categories:

- (a) loss of business opportunity;
- (b) loss of anticipated savings;
- (c) loss of profit (whether actual or anticipated);
- (d) loss of data, equipment or property;
- (e) economic loss;
- (f) loss of interest or revenue;
- (g) damage to goodwill;
- (h) loss or damage suffered by other third parties; or
- (i) indirect, consequential or special loss or damage of any nature.

6.4 Except as regards injury or death caused by the Defaulting Party's negligence, the Non-Defaulting Party shall have no liability to any third party for any damages, costs, claims, expenses, interest or other liability arising out of the breach by the Defaulting Party of its obligations under this Framework Agreement but this does not exclude any liability which the Defaulting Party may have to a third party in tort or for breach of statutory duty.

6.5 Other than as set out in this Framework Agreement, all warranties, conditions and other terms implied by law (statutory or otherwise), except those implied by Section 12, Sale of Goods Act 1979, are hereby excluded to the fullest extent permitted by Law.

7. WAIVER

7.1 The failure or delay by any Party in any one or more instances to insist upon strict performance or observance of any one or more of the terms of this Framework Agreement or to exercise any remedy, privilege or right provided by law or under this Framework Agreement shall not be construed as a waiver of any breach or right to enforcement of such terms or to exercise such remedy, privilege or right.

8. FORCE MAJEURE

No Party shall have any liability or be deemed to be in breach of this Framework Agreement for any delays or failures in performance of this Framework Agreement which result from circumstances beyond the reasonable control of that Party (including without limitation any act or omission of ITSO or its employees, agents or sub-contractors). The Party affected by such circumstances shall promptly notify ITSO in writing when such circumstances cause a delay or failure in performance and when they cease to do so.

9. ASSIGNMENT, SUB-CONTRACTING AND SUB-LICENSING

9.1 The Parties shall be entitled from time to time to sub-contract all or any of its obligations under this Framework Agreement provided that such sub-contracts shall not materially alter the obligations herein that Parties agree to under this Framework Agreement and all of the Parties obligations under this Framework Agreement shall be complied with by any such sub-contractor as if the sub-contractor were the Party and every breach of those obligations by

the sub-contractor shall be a breach of the Parties and the Party shall be liable to the other Parties as if such breach had been committed by the Party itself.

- 9.2 The Parties may sub-contract all or any of its obligations under this Framework Agreement provided that where the Party sub-contracts a particular Function, all of the Parties obligations under this Framework Agreement shall, insofar as they relate to the performance of that Function, be complied with by the sub-contractor as if the sub-contractor were the Party and every breach of such obligations by the Party shall for the purposes of this Framework Agreement be deemed to be a breach of the Party and the Party shall be liable to the other Parties as if such breach had been committed by the Party itself.

10. VARIATION

No variation or purported variation of any provision of this Framework Agreement shall be effective unless it is in writing, refers specifically to this Framework Agreement and is duly executed by ITSO.

11. NO AGENCY OR PARTNERSHIP

- 11.1 Nothing in this Framework Agreement shall be deemed to constitute a partnership or joint venture or contract of employment between the Parties nor constitute any Party the agent of the other.
- 11.2 No Party shall act or describe itself as the agent of the other, nor shall it make or represent that it has authority to make any commitments on the other's behalf (except as expressly set out in this Framework Agreement).

12. INVALID CLAUSES

- 12.1 If a provision of this Framework Agreement is adjudged by any court or tribunal of competent jurisdiction to be illegal, invalid or unenforceable, such provision shall, to the extent so adjudged, be deemed not to form part of this Framework Agreement, but that shall not affect:
- (a) the legality, validity or enforceability in the jurisdiction in question of any other provision of this Framework Agreement; or
 - (b) the legality, validity or enforceability in other jurisdictions of that or any other provisions of this Framework Agreement,

and the Parties shall negotiate in good faith and in a reasonable manner to agree the terms of a mutually acceptable and satisfactory alternative for that provision.

13. COUNTERPARTS

- 13.1 This Framework Agreement may be signed in any number of counterparts and this has the same effect as if the signatures on counterparts were on a single copy of this Framework Agreement.

14. NOTICES

Method

- 14.1 Each notice or other communication to be given under this Framework Agreement shall be given in writing in English and, unless otherwise provided, shall be made by hand or letter. For the avoidance of doubt notice shall not be validly served by e-mail or by fax
Delivery

- 14.2 Any notice or other communication to be given by one Party to another under this Framework Agreement shall (unless one Party has by no less than 5 Business Days' notice to the other Party specified another address) be given to that other Party as follows:

- (a) if any Party is a company which is incorporated under the Companies Act 1985 (as amended), its address for service shall be its registered office;
- (b) any Party which is not a company incorporated under the Companies Act 1985 (as amended) shall provide to ITSO an address in the United Kingdom for service of process on its behalf in any proceedings provided that if any such Party fails at any time to provide such address, such Party shall be deemed to have appointed ITSO as its agent to accept service of process on its behalf until and unless such Party provides ITSO with an alternative address in the United Kingdom for these purposes.

Deemed receipt

- 14.3 Any notice or other communication given by any Party shall be deemed to have been received:

- (a) in the case of a notice given by hand, at the time of day of actual delivery;
- (b) if posted, by 10am on the second Business Day following the day on which it was despatched by first class mail postage prepaid,

provided that a notice given in accordance with the above but received on a day which is not a Business Day or after normal Business Hours in the place of receipt shall be deemed to have been received on the next Business Day.

15. THIRD PARTY RIGHTS

For the purpose of section 1(2) of the Contract (Rights of Third Parties) Act 1999 ("**the 1999 Act**") the Parties state that they do not intend any term of this Framework Agreement to be enforced by any third party except that rights may be enforced by ITSO in accordance with the 1999 Act and the Parties agree that any third party right which exists or is available independently of the 1999 Act is preserved.

16. ENTIRE AGREEMENT

16.1 This Framework Agreement, including its Appendices and all documents (together with the Operating Licence) which are required by its terms to be entered into by the Parties or any of them, sets out the entire agreement between the Parties relating to the subject matter of this Framework Agreement and supersedes all prior oral or written agreements, arrangements or understandings between them.

16.2 The Parties acknowledge that they have not entered into this Framework Agreement in reliance upon any warranty, representation, covenant, undertaking, agreement, term or condition which is not set out in this Framework Agreement.

16.3 Without prejudice to Clauses 16.1 and 16.2 above, the Parties irrevocably and unconditionally waive any right they may have to claim damages and/or to rescind this Framework Agreement for any misrepresentation whether in tort, under the Misrepresentation Act 1967 or otherwise or for any breach of any warranty not contained in this Framework Agreement unless such misrepresentation or warranty was made or given fraudulently.

17. COSTS AND EXPENSES

17.1 Each Party and Party Applicant shall pay its own costs relating to the negotiation, preparation, execution and implementation by it of this Framework Agreement and the Accession Agreement (as applicable).

18. GOVERNING LAW AND JURISDICTION

This Framework Agreement shall be governed by and construed in accordance with English law and the parties submit to the exclusive jurisdiction of the English Courts.

19. **EXECUTION**

The Parties have shown their acceptance of the terms of this Framework Agreement by executing it at the end of the Appendices.

Signed by:
For and on behalf of ITSO

Signed by:
For and on behalf of Licensee

SCHEDULE 8
APPENDIX 1
ORIGINAL PARTIES

- (a) [●]
[whose registered office is at: ●]
[whose principal place of business is at: ●]
- (b) [●]
[whose registered office is at: ●]
[whose principal place of business is at: ●]
- (c) [●]
[whose registered office is at: ●]
[whose principal place of business is at: ●]
- (d) [●]
[whose registered office is at: ●]
[whose principal place of business is at: ●]
- (e) [●]
[whose registered office is at: ●]
[whose principal place of business is at: ●]

SCHEDULE 8
APPENDIX 2
OPERATING CODE

1. GENERAL WARRANTIES

- (a) Each Party warrants to the other Parties that:
- (i) neither the execution by that Party of, nor the performance of any of its obligations under, this Framework Agreement and the Operating Licence will be ultra vires or if applicable in any way contravene any provision of its memorandum or articles of association where applicable or cause it to be in breach of any agreement to which it is party;
 - (ii) the transactions contemplated by this Agreement have been authorised by the respective Party and this Agreement has been duly executed and constitutes legal valid and binding obligations of that Party enforceable in accordance with its terms;
 - (iii) none of the acts referred to in Clause 12.3 (b) to (f) of the Operating Licence have occurred in relation to the Party;
 - (iv) it will discharge its, and shall procure that its employees, agents and sub-contractors discharge their, obligations under this Framework Agreement and the Operating Licence with all due skill, care and diligence including Good Industry Practice and in accordance with Law;
 - (v) it is not subject to any obligation, compliance with which would have a materially adverse effect on the ability of that Party to perform its obligations under this Framework Agreement and the Operating Licence;
 - (vi) it has obtained and will maintain in force all necessary licences, permissions and consents necessary to enter into this Framework Agreement and the Operating Licence and to enable that Party to perform its obligations under this Agreement;
 - (vii) all sub-contractors of that Party will have the required experience and knowledge to carry out their duties and obligations and to provide the services under the relevant sub-contracts;
 - (viii) the services provided hereunder and under the Operating Licence will comply in all respects with such Laws as a provider of similar services in the industry is required to comply with (including without limitation concerning the use of smart card technology and the processing of data (whether personal or otherwise) generated under this Agreement);

- (ix) while at any other Party's premises it shall and shall ensure that its employees, agents and sub-contractors comply with:
 - (A) all relevant policies with regard to health and safety and security in force from time to time;
 - (B) all reasonable requirements and procedures made known to the Party by the owner of the relevant premises concerning its conduct at any of such premises;
- (x) its obligations under this Agreement will be performed by a sufficient number of appropriately experienced, qualified, competent and efficient staff in accordance with Good Industry Practice;
- (xi) it will perform its obligations under this Agreement in compliance with Law; and
- (xii) it will comply in all respects with its obligations under its respective Operating Licence.

Intellectual Property Rights Warranties

- (b) Each Party warrants that it (or its licensors) owns the Intellectual Property Rights in any materials provided by it to any other Party under this Agreement.

Software/Hardware Warranties

- (c) Each Party warrants to the other Parties that:
 - (i) prior to delivery (or implementation into the ITSO Environment) of any item of software or hardware (including any updates, new versions or releases or enhancements or revisions thereto), it shall using the most up-to-date software available, test the same (and delete) all Software Viruses known by that Party at the date of delivery before providing the same or implementing it into the ITSO Environment;
 - (ii) it shall not knowingly or negligently introduce or cause to introduce any correction, modification or enhancement to any software or hardware which shall cause any reduction in the performance or functions of the ITSO Environment or any other Party's computer systems; and
 - (iii) it shall not knowingly or negligently introduce or cause to be introduced anything which may either:
 - (A) harm or degrade the ITSO Environment; or
 - (B) corrupt, degrade or otherwise cause error or malfunction in any other Party's Product Instance, Product Entity Embodiment, computer systems, the ITSO Shell, ITSO Product and ITSO Applications.

2. ITSO HELPLINES/ CUSTOMER SERVICES

- 2.1 In respect of instances where the Party is carrying out Application Issuing and to the extent that support is required for any other of the Functions carried out by each Party under each respective Operating Licence, each Party agrees to:
- (a) provide adequate support facilities, through recognised support channels, to its Customers in respect of in respect of ITSO Applications issued by that Party ("**Customer Support Line**");
 - (b) ensure that each Customer Media issued by it displays the correct telephone help line number in respect of the Customer Support Line;
 - (c) ensure that the Customer Support Line will be available between the hours of 09:00 and 17:00 on each Business Day;
 - (d) ensure that it keeps ITSO updated from time to time as to the correct contact details and Customer Support Line for such support; and
 - (e) provide sufficient suitably qualified staff to man the Customer Support Line during the periods referred to in Clause 2.1 (c) above.
- 2.2 Where a Customer requires support in relation to a Product Instance loaded onto an ITSO Application issued by the Party to this Framework Agreement, the Party shall ensure that the Customer is transferred or referred to the relevant customer support line for the Product Instance which is loaded onto the Customer Media (where this is separate to the issuer of the Customer Media) provided that ITSO has met its obligations in Clause 4.1(e) of the Agreement.
- 2.3 Each Party shall respond to all Customer calls received through the Customer Support Line:
- (a) expeditiously;
 - (b) in a professional manner;
 - (c) politely; and
 - (d) in accordance with any best practice instructions issued by ITSO from time to time.

3. DATA LOAD/ITSO APPLICATIONS INTEGRITY

- 3.1 Each Party shall:
- (a) carry out its Functions (and any other obligations) under the Operating Licence (and this Framework Agreement) in accordance with Good Industry Practice and in compliance with all Law concerning the use of smart card technology and the processing of data (whether personal or otherwise) generated under this Agreement;
 - (b) ensure that in carrying out its Functions it shall not:

- (i) knowingly or negligently damage or degrade the functionality of any Customer Media, the ITSO Environment; ITSO Products or ITSO Applications;
- (ii) knowingly or negligently introduce any Software Virus or destructive material or code into any of the Customer Media, the ITSO Environment; ITSO Products or ITSO Applications;
- (iii) (where it loads an ITSO Application onto Customer Media) knowingly or negligently exclude other ITSO Products of any Product Owner from being loaded on the Customer Media;
- (iv) knowingly or negligently use any other hardware or software other than ITSO Compliant Hardware or Software;
- (v) knowingly or negligently load (or remove) an ITSO Application onto (or from respectively) Customer Media without recording a unique identifier in accordance with the ITSO Specification;
- (vi) knowingly or negligently process any Transaction Data or Administrative Data other than in accordance with the respective Party's Operating Licence or in accordance with ITSO's instructions from time to time.

4. DATA PROTECTION

4.1 Terms and expressions defined in the Data Protection Act 1998, which are used in this Clause 4, shall have the meanings given to them in that Act.

4.2 Each Party ("**Receiving Party**") agrees that it shall:

- (a) and shall procure that its employees, agents and sub-contractors shall, at all times, comply with the provisions of the Data Protection Act 1998 in relation to any personal data received from another Party under this Agreement ("**Disclosing Party**") and that it shall only process personal data received from the Disclosing Party as a data processor in accordance with the instructions of the Disclosing Party;
- (b) indemnify the Disclosing Party against all costs, legal costs, claims, damages, demands and all other expenses arising out of any breach of paragraph 4.2 (a) above;
- (c) not transfer personal data outside the European Union without the prior written consent of the Disclosing Party.

5. DATA RETENTION

- 5.1 Each Party shall retain in a format that is readily auditable and accessible all Transaction Data or any other data created or received during the continuance of the Party's respective Operating Licence and a period of 64 weeks thereafter.

6. SUB-CONTRACTORS

- 6.1 A Party shall not be relieved from any of its obligations under the Operating Licence or this Framework Agreement by entering into any sub-contract for the performance of any part of the Functions (or any other obligations hereunder) and shall at all times remain primarily responsible and liable to the other Parties for the conduct of its sub-contractors.

7. SERVICES

A Party shall conduct all of its Functions and other obligations in respect of the Operating Licence and the Framework Agreement in accordance with the Financial Services and Markets Act 2000.

SCHEDULE 8

APPENDIX 3

ACCESSION AGREEMENT

THIS ACCESSION AGREEMENT is made on [_____]

BETWEEN

- (1) **ITSO LIMITED** a company limited by guarantee (Registered Number 04115311) whose registered office is 4th Floor, Quayside Tower, 252-260 Broad Street, Birmingham, B1 2HF ("**ITSO**"); and
- (2) [_____] *Insert name of person wishing to be admitted to the Framework Agreement* (the "**Party Applicant**") whose principal office is at [_____]].

BACKGROUND

- (A) By the Framework Agreement dated [_____] in force between the existing parties to the Framework Agreement and by virtue of any Accession Agreement entered into by any Party before the date of this Accession Agreement, the Parties agreed to give effect to and be bound by the Framework Agreement.
- (B) The Party Applicant has complied with the requirements of the Framework Agreement (if any) as to accession and wishes to be admitted as a Party.
- (C) By the Framework Agreement and the provisions of the Appendices thereto all Parties authorise ITSO to sign this Accession Agreement on their behalf.

IT IS HEREBY AGREED as follows:

1. In this Accession Agreement, words and expression defined in or for the purposes of the Framework Agreement and/or the Operating Licence and not otherwise defined herein shall have the meanings ascribed thereto under the Framework Agreement.
2. ITSO (acting on its own behalf and on behalf of each of the other Parties) hereby admits the Party Applicant as an additional Party under the Framework Agreement with effect from the date of this Accession Agreement on the terms and conditions hereof.
3. The Party Applicant hereby accepts its admission as a Party and undertakes with ITSO (acting on its own behalf and on behalf of each of the other Parties) to perform and to be bound by the Framework Agreement as a Party as from the date hereof.

4. For all purposes in connection with the Framework Agreement the Party Applicant shall, as from the date hereof, be treated as if it has been a signatory of the Framework Agreement from the date hereof, and as if this Accession Agreement were part of the Framework Agreement from the date hereof, and the rights and obligations of the Parties shall be construed accordingly.
5. This Accession Agreement and the Framework Agreement shall be read and construed as one document and references (in or pursuant to the Framework Agreement) to the Framework Agreement (howsoever expressed) should be read and construed as reference to the Framework Agreement and this Accession Agreement.
6. If any provision of this Accession Agreement is or becomes invalid, unenforceable or illegal or is declared to be invalid, unenforceable or illegal by any court of competent jurisdiction or by any other competent authority such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of this Accession Agreement, which shall continue in full force and effect notwithstanding the same. The Party Applicant and ITSO (acting on its own behalf and on behalf of each of the other Parties) hereby acknowledge and agree for the purposes of the Contracts (Rights of Third Parties) Act 1999 that no rights, powers or benefits are or shall be conferred on any person pursuant to this Accession Agreement, except for such rights, powers or benefits as are expressly conferred on the Parties and the Party Applicant in accordance with and subject to its terms or except for or to the extent provided in the Framework Agreement.
7. This Accession Agreement may be executed in counterparts.
8. This Accession Agreement shall be governed by and construed in accordance with the laws of England and Wales and the parties hereby submit to the exclusive jurisdiction of the courts of England and Wales.
9. If a Party Applicant is a company which is incorporated under the Companies Act 1985 (as amended), its address for service shall be its registered office. If the Party Applicant is not a company incorporated under the Companies Act 1985 (as amended) it shall provide to ITSO an address in Great Britain for service of process on its behalf in any proceedings, provided that if any such Party Applicant fails at any time to provide such an address, such Party Applicant shall be deemed to have appointed ITSO as its agent to accept service of process on its behalf until and unless such Party Applicant provides ITSO with an alternative address in Great Britain for these purposes.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first above written.

SIGNED by)

[Name of director/officer])

for and on behalf of)

[LIMITED])

SIGNED by)

[Name of director/officer])

for and on behalf of)

ITSO LIMITED)

SCHEDULE 9

ITSO WARRANTIES

1. General Warranties

- (a) ITSO warrants that:
- (i) neither the execution by ITSO of, nor the performance of any of its obligations under, this Agreement will be ultra vires or in any way contravene any provision of its memorandum or articles of association or cause it to be in breach of any agreement to which it is party;
 - (ii) the transactions contemplated by this Agreement have been authorised by ITSO and this Agreement has been duly executed and constitutes legal valid and binding obligations of ITSO enforceable in accordance with its terms;
 - (iii) none of the acts referred to in Clause 12.3 (b) to (f) have occurred in relation to ITSO;
 - (iv) it will discharge its, and shall procure that its employees, agents and sub-contractors discharge their obligations under this Agreement with all due skill, care and diligence including Good Industry Practice;
 - (v) it is not subject to any obligation, compliance with which would have a materially adverse effect on the ability of ITSO to perform its obligations under this Agreement;
 - (vi) it has obtained and will maintain in force all necessary licences, permissions and consents necessary to enter into this Agreement and to enable ITSO to perform its obligations under this Agreement;
 - (vii) all sub-contractors will have (and the Licensee shall be entitled to assume that all sub-contractors shall have) the required experience and knowledge to carry out their duties and obligations and to provide the services under the relevant sub-contracts;
 - (viii) the services provided hereunder will comply in all respects with such Laws as a provider of similar services in the industry is required to comply with (including without limitation concerning the use of smart card technology and the processing of data (whether personal or otherwise) generated under this Agreement;
 - (ix) while at the Licensee's premises it shall and shall ensure that its employees, agents and sub-contractors comply with:
 - (A) all Licensee policies with regard to health and safety and security in force from time to time (copies of which will be provided to ITSO on ITSO's written request);

- (B) all reasonable requirements and procedures made know to ITSO by the Licensee concerning its conduct at any of the Licensee's premises;
- (x) its obligations under this Agreement will be performed by a sufficient number of appropriately experienced, qualified, competent and efficient staff in accordance with Good Industry Practice;
- (xi) it will perform its obligations under this Agreement in compliance with Laws;

2. Intellectual Property Rights Warranties

- (a) ITSO warrants that:
 - (i) the performance of its obligations under this Agreement and the Licensee's use of the Licensed Works, the Trade Marks, the Security Management Service or any other materials (including without limitation any hardware or software) provided by ITSO, its employees, agents and sub-contractors will not infringe any Intellectual Property Rights of any third party;
 - (ii) it (or its licensors) owns the Intellectual Property Rights in the Licensed Works, Trade Marks, the Security Management Service and other materials provided by ITSO, its employees, agents and sub-contractors under this Agreement; and
 - (iii) it is free to grant to the Licensee the Licences set out in this Agreement;

3. Software/Hardware Warranties

- (a) ITSO warrants in the event that it or its Security Management Service Provider supplies software and hardware that:-
 - (i) prior to delivery of any item of software or hardware (including any updates, new versions or releases or enhancements or revisions thereto), it shall using the most up-to-date software available, test the same (and delete) all Software Viruses known by ITSO at the date of delivery before providing the same to the Licensee;
 - (ii) subject to the fact that software and hardware can not always be supplied without any bugs or errors, the software and/or hardware provided by ITSO to the Licensee will operate on the computer systems notified and agreed with ITSO and be compatible with the same;
 - (iii) any software provided by ITSO under this Agreement will be euro compliant and shall remain euro compliant for the continuance of this Agreement;

- (iv) any correction, modification or enhancement to any software or hardware provided by ITSO to the Licensee shall not, without the Licensee's prior written consent, cause more than a minor reduction in the performance or functions of the software or hardware in question;
- (v) all software or hardware provided by ITSO to the Licensee under this Agreement will be supported by ITSO (or its sub-contractors); be materially defect free and error free and perform in accordance with any specification provided by ITSO (or the manufacturer) with the software or hardware in question.

SCHEDULE 10

SPECIFICATION FOR CONTRACT NO. PPAD 9/120/33

The first deliverable of this contract shall be the Project Plan to create the ITSO Environment as described within this specification. As a minimum this shall include:

- (a) detailed task lists showing resource, dependency and critical path analysis;
- (b) high level tasks related to the key Results described within the Specification;
and
- (c) risk analysis.

As an annex to the Project Plan document the following information shall be provided, and maintained for the duration of the contract:

- (a) the number of contracts ITSO Ltd shall let to deliver the objectives set out in this document and details of the subcontractors;
- (b) a description of the process ITSO Ltd shall take to ensure subcontractors meet the technical and contractual requirements placed under this contract;
- (c) details of who within ITSO Ltd shall be accountable for the delivery of this contract, including the task managers for individual pieces of work.

3.2 Technical Outputs

3.2.1 ITSO Specification Version 2.1

The results of this work stream comprise the following deliverables:

- ITSO Specification

3.2.2 Security Access Module (SAM)

The results of this work stream comprise the following deliverables:

- High Level Specification of Security Access Module
- Card edge specification
- Security Analysis
- Delivery of working SAM (3 & 5 volt)
- Common Criteria level AEL 4 accreditation

3.2.3 Certification / Type Approval Regime

The results of this work stream comprise the following deliverables:

- Design of Accreditation and Testing process
- An ITSO members workshop on Accreditation and Testing with associated workshop outputs
- Test tool for each component set (card, POST, HOPS etc)
- Test script to V2.1 of the Specification
- Process definition

3.2.4 Security Management Service and Related Activities

The results of this work stream comprise the following deliverables:

- A SMS Service
- Interface specification to the ITSO Environment
- Process definition

3.2.5 ITSO Rules

The Results of this work stream comprise the family of ITSO member guides and licences required to ensure schemes can work within the ITSO environment. In outline this shall include the following deliverable:

- Members Guide Part 1
- Members Guide Part 2
- Members Operating Licence
- Compliance Agreement
- Initial 'User Guides'
- Process Manuals (eg Product Registration, Branding)

3.2.6 Demonstration

The results of this work stream comprise the following deliverables:

- ITSO – Supplier Agreement
- Demonstration System

4. **Methodology and Management**

(a) Progress reports shall be submitted every two weeks, or as agreed in writing with the Department, which as a minimum highlight the following:

- Progress against the Project Plan
- Risks to the Project Plan
- Outputs delivered in the period
- Actions required / proposed variation to the Project Plan

(b) Contract payment shall be against clear delivery of Results as described in the Outputs section.

- (c) The delivery of an acceptable Project Plan shall form the first deliverable of this Contract. No further payments shall be made against this Contract until this deliverable has been completed.
- (d) Any procurement activity must comply with the provision of the relevant Public Procurement Regulation (EC Directives) as if the Contractor were a Contracting Authority falling within the definition contained in the Public Services Contract Regulation 1993 (SI 1993 No.3228).
- (e) The Results of this Contract may be published. The Intellectual property rights (IPR) of the Results shall be owned by the Crown.
- (f) The Contractor will be responsible for the relationship with all subcontractors. See General Conditions of contract, Clause 20.
- (g) The DfT representative for this Contract will be Louise Barnett, Smart & Integrated Ticketing Division. Telephone: +44 (0)20 7944 4851. Email: louise.barnett@dft.gsi.gov.uk
The Contractor shall invite, with reasonable notice, the DfT representative to all relevant meetings.
- (h) A progress report shall be attached to all invoices.