

**Schedule 6**

**Termination Compensation**

**1. Availability of Termination Compensation**

1.1 If this Agreement is terminated (in whole or in part) pursuant to a termination right set out in column 1 of Table 1 below, the Service Provider shall be entitled to Termination Compensation from TfL calculated as the sum of the amounts set out in column 2 in respect of such termination right, provided that:

1.1.1 the maximum amount of Termination Compensation in such circumstances shall be the amount set out in column 3 of Table 1 below; or

1.1.2 if the Agreement is terminated simultaneously with, and pursuant to the equivalent termination right as, the BOps Services Agreement, the maximum amount of Termination Compensation under this Agreement plus termination compensation under the BOps Services Agreement shall, in aggregate, be the amount set out in column 4 of Table 1 below,

in respect of such termination right.

1.2 In no other circumstances shall TfL be liable for any Termination Compensation.

**Table 1 – Termination Compensation Scenarios**

Column 1	Column 2	Column 3	Column 4
Termination right	Termination Compensation	Cap	Combined Cap
TfL terminates pursuant to Clause 61.3.15(A) ( <i>Three Year Break Point</i> )	Capital Costs Breakage Costs Cancellation Costs	<i>(Information Redacted)</i>	<i>(Information Redacted)</i>
TfL terminates pursuant to Clause 61.3.15(B) ( <i>Four Year Break Point</i> )	Capital Costs Breakage Costs Cancellation Costs	<i>(Information Redacted)</i>	<i>(Information Redacted)</i>
Service Provider terminates pursuant to Clause 61.1 ( <i>TfL failure to pay</i> )	Capital Costs Breakage Costs Cancellation Costs	<i>(Information Redacted)</i>	<i>(Information Redacted)</i>
TfL terminates pursuant to Clause 61.3.1 ( <i>Change of Control</i> )	Capital Costs Breakage Costs Cancellation Costs	<i>(Information Redacted)</i>	<i>(Information Redacted)</i>
TfL terminates pursuant to Clause 61.3.9 ( <i>Change in Law</i> )	Capital Costs Breakage Costs	<i>(Information Redacted)</i>	<i>(Information Redacted)</i>

Column 1	Column 2	Column 3	Column 4
Termination right	Termination Compensation	Cap	Combined Cap
TfL terminates pursuant to Clause 61.3.13(I), but only if the prior exercise by TfL of its Step-in Rights was pursuant solely to Clause 60.1.9 ( <i>TfL statutory duties</i> ) and/or or 60.1.11 ( <i>Change in Law</i> ) (and not any of the other reasons for Step-in set out in Clause 60.1).	Capital Costs Breakage Costs	<b>(Information Redacted)</b>	<b>(Information Redacted)</b>

**2. Principles for Termination Compensation**

2.1 In this Schedule 6, the following terms used in Table 1 above have the meanings given to them in this paragraph 2.1:

**"Capital Costs"** means the:

- i. actual unamortised capital costs reasonably and properly incurred by the Service Provider in the provision of the Services; and
- ii. actual prepayments under (i) premises leases, (ii) hardware leases or (iii) Software licences and support and maintenance agreements to the extent that such prepayments have been reasonably and properly paid by the Service Provider to a Third Party in respect of the planned provision of the Services over the shorter of:
  - a. the period of one (1) year from the Termination Date or Partial Termination Date (as applicable); and
  - b. the remainder of the Initial Term or Extended Term (as applicable),

in each case to the extent that the Service Provider can demonstrate to TfL's reasonable satisfaction that such costs have not been recovered by the Milestone Payments, the Service Charges and Relief Event Costs paid or payable by TfL prior to the Termination Date or Partial Termination Date (as applicable).

**"Breakage Costs"** means the reasonable costs, expenses and liabilities which the Service Provider can demonstrate to TfL's reasonable satisfaction are incurred or suffered by the Service Provider as a direct result of the termination or partial termination (as the case may be) of this Agreement and which relate to:

- i. the termination of Software licences, property leases, hardware leases, Sub-Contracts or Notified Supply Contracts which were novated to the Service Provider in accordance with Clause 43 (*Novation or Management of Supply Contracts*) which are used by the Service Provider primarily for the provision of the Services and which are not novated to TfL or a New Service Provider in accordance with the provisions of this Agreement; or

- ii. the dismissal solely by reason of redundancy (within the meaning of section 139 of the Employment Rights Act 1996) of any Service Provider Personnel (excluding any Re-Transferring Employee) wholly or mainly engaged in the provision of the Services immediately prior to the termination or partial termination (as the case may be) of this Agreement, provided that such costs and expenses (a) are limited to statutory redundancy pay and notice monies (to the extent it was not reasonably practicable for notice to be worked); (b) relate to dismissals which take effect within one month of the termination or partial termination (as the case may be) of this Agreement; and (c) will be repaid to TfL to the extent that any such Service Provider Personnel are re-engaged in any capacity by the Service Provider or any Sub-Contractor within twelve (12) months of the termination or partial termination (as the case may be) of this Agreement.

**"Cancellation Costs"** the expected Service Provider's profit demonstrated by the Open Book Accounts or in such other documentary evidence as TfL may reasonably require for the shorter of:

- i. the period of one (1) year from the Termination Date or Partial Termination Date (as applicable)
- ii. the remainder of the Initial Term or Extended Term (as applicable),

(provided that in the case of Partial Termination it shall be limited to the proportion of the profit as shown in such documentary evidence for those Service Elements which have been terminated), less fifty per cent. (50%) of the Service Provider's excess profit (if any) during the Term, as demonstrated by the Open Book Accounts provided by the Service Provider during the Term in accordance with Clause 37 (*Open Book*).

- 2.2 The Service provider shall use all reasonable endeavours to mitigate the amount of any Termination Compensation payable by TfL and shall consult with TfL in relation to the steps it takes or proposes to take to achieve such mitigation.
- 2.3 Costs associated with transfer of employees on termination or Partial Termination are addressed in Schedule 11 (*Employees*) and so are excluded from Termination Compensation calculations pursuant to this Schedule 6.
- 2.4 The Service Provider shall not be entitled to recover twice for the same cost, expense or liability under different categories of Termination Compensation or in relation to the Service Provider Assets.
- 2.5 In relation to Partial Termination:
  - 2.5.1 the sums recoverable in accordance with this Schedule shall be such sums as relate to the relevant Service Elements or Services as have been terminated; and
  - 2.5.2 the references to clause numbers in Table 1 above shall be the clause numbers relevant to the circumstances which triggered the Partial Termination in accordance with Clauses 61.7 and 61.8.
- 2.6 Any payment of Termination Compensation by TfL is without prejudice to its accrued rights in respect of any breach of this Agreement or otherwise, including any breach giving rise to the termination of this Agreement in whole or in part.
3. **Calculation of Termination Compensation**

- 3.1 If TfL is liable to for Termination Compensation pursuant to paragraph 1.1, the Service Provider shall, within twenty (20) Working Days of the Termination Date or Partial Termination Date (as applicable), submit to TfL a detailed invoice setting out the breakdown of the cost items comprising the Termination Compensation. TfL may verify such costs by exercising its audit powers pursuant to Clause 36 (*Audit and Inspection*) at any time prior to the Termination Compensation Payment Date.
- 3.2 The Service Provider shall provide TfL with all information reasonably requested by TfL in relation to any claim for Termination Compensation (including any supporting financial data, management information and evidence of relevant resource utilisation).
- 3.3 The calculation of Termination Compensation due under this Schedule 6 shall be as agreed by the Parties in writing on or before the Termination Compensation Date or, if not agreed on or before such date, as determined by the Dispute Resolution Procedure.
- 3.4 TfL shall pay the Termination Compensation agreed by the Parties or determined pursuant to paragraph 3.3 within ten (10) Working Days after such agreement or determination.