



## VIRGIN MEDIA O2

### STANDARD SUPPLIER PURCHASING TERMS AND CONDITIONS

#### 1. RECITALS

- 1.1. Virgin Media Limited (registered in England and Wales (Company No: 02591237)) having its registered office at 500 Brook Drive, Reading, United Kingdom, RG2 6UU (“**VM**”) and Telefonica UK Limited (registered in England and Wales (Company No: 1743099)) having its registered office at 260 Bath Road, Slough, Berkshire, SL1 4DX (“**O2**”) are part of a joint venture organisation, VMED O2 UK Limited. VMO2 is in the business of supplying; (i) broadband connectively to consumers and businesses, and (ii) providing telecommunications services to consumers and businesses. These standard terms govern the purchase and supply of Goods and Services by VMO2 from Supplier, and the Supplier agrees to be bound by these standard terms and conditions (the “**Standard Terms**”). VM and/or O2 will be entitled to submit a PO to the Supplier Any PO placed by VM or O2 will incorporate these Standard Terms, and the PO shall form a separate contract with the Parties stated on the PO. These Standard Terms which will prevail over any other standard terms and conditions referenced by the Supplier (including without limitation, in any documentation, proposal, invoices or any other paperwork). For the avoidance of doubt, no conduct or acceptance of a Supplier invoice will constitute the acceptance by VMO2 or an Affiliate of any Supplier terms and conditions at any point in time.
- 1.2. VMO2 will be entitled to vary the Standard Terms set out herein from time-to-time and any such variation will be binding upon Supplier with effect from the date at which the Standard Terms are uploaded to the Website. It will be the Supplier’s responsibility to visit the VM or O2 Website periodically for the purpose of familiarising itself with the then current Standard Terms. Where a change to the Standard Terms: (a) has a direct, material and significant impact on the Supplier’s provision of the Services or the PO, and (b) will unduly and unreasonably prejudice the Supplier, such change will be subject to mutual written agreement. If the Parties cannot reach mutual agreement, the Supplier will be entitled to terminate the PO or Services upon 30 days’ written notice to the VMO2 entity named on the PO.
- 1.3. To the extent that any of the terms agreed and set out in a PO are inconsistent with any provision of these Standard Terms (other than in respect of Charges which will be stated in a PO), the variable details set out in a PO will prevail. In the event of any inconsistency between a PO and another agreement which has been entered into between VMO2 and Supplier which relates to the same subject matter and which has been signed by authorised signatories of both Parties, the terms of such agreement will prevail. For the avoidance of doubt, Supplier’s agreement is with the relevant VMO2 Group entity stated on the PO and nothing contained herein will amount to a guarantee by any other VMO2 Group entity. Notwithstanding the former, the benefit of the Goods or Services may be used by any entity in the VMO2 Group.

#### 2. DEFINITIONS

- 2.1. The following definitions will apply to these Standard Terms: “**Acceptance**” has the meaning given to it in Schedules 1 and/or 2 (as appropriate); “**Affiliate**” means an entity that control, are controlled by or are under the common control of a Party and

who form part of a Party’s Group; “**Bespoke IPR**” means any and all new IPRs created by or on behalf of Supplier, or jointly by or on behalf of Supplier and the relevant VMO2 Group entity, in the performance of its obligations under a PO; “**Change of Control**” occurs if any entity or person obtains ownership of more than 50% of shares carrying a right to vote in the Supplier or its holding entity or if there is a change in the ownership of the legal power to direct, or change the direction of, the general management of the Supplier; “**Charges**” means charges payable for the Deliverables as agreed between the Parties; “**Completion Date(s)**” means dates set for the delivery and/or provision of Deliverables in the PO or as otherwise agreed by the Parties in writing; “**Confidential Information**” has the meaning given to it in Clause 22.2; “**Data Protection Legislation**” means all applicable laws and regulations relating to the processing of personal data and privacy in the UK including the Data Protection Act 2018, the General Data Protection Regulation 2016/679 as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 (“**GDPR**”), the Privacy and Electronic Communications (EC Directive) Regulations 2003 and any statutory instrument, order, rule or regulation made thereunder, as from time to time amended, extended, re-enacted or consolidated. The terms “**Personal Data**”, “**Controller**”, “**Processor**”, “**Data Subject**” and “**process**” (in the context of usage of Personal Data) will have the meanings given to them in the Data Protection Legislation; “**Defect**” means a material error, omission, failure, inefficiency or inconsistency in a Deliverable (and “**Defective**” is construed accordingly); “**Deliverables**” means Goods or Services (as the context requires); “**Documentation**” means documentation, if any, required for the proper use of the Deliverables; “**EFM**” means an event of force majeure being one or more of the following; act of God, riot, civil unrest, military action, terrorism, earthquake, storm, flood, inability to obtain supplies of power, fuel, or transport; exercise of emergency powers by any governmental authority; “**Employment Liabilities**” means losses, costs, claims, demands, awards, fines, liabilities or expenses (including reasonable legal expenses) arising from the employment of any person, the termination of such employment, the operation and/or termination of any collective agreement, any dispute which relates to such employment or collective agreement or their termination and any failure to discharge in full any obligation to inform or consult appropriate representatives or any person about the transfer of employees under TUPE; “**Future Supplier**” means any third party providing deliverables to VMO2 similar to the Deliverables (or any part of the Deliverables) following the expiry or termination of a PO (in whole or in part); “**Goods**” means hardware or equipment supplied under a PO; “**Group**” means in respect of a Party, any entity which is a subsidiary or a holding entity (including ultimate holding), and any entity which is a subsidiary of such holding entity, (the terms subsidiary and holding entity having the meanings given in Section 1159 of the Companies Act 2006 as amended), and any companies within VMED O2 UK Limited Group; “**Information Retention Policy**” means the VMO2 data retention policy as set out on the Website; “**IPRs**” means any (and any rights subsisting in any) patents, designs, trade marks and trade names (whether registered or unregistered), copyright and related rights, moral rights, database rights, know-how and Confidential Information; (ii) all other intellectual property rights and similar or equivalent rights anywhere in the world which





## VIRGIN MEDIA O2

### STANDARD SUPPLIER PURCHASING TERMS AND CONDITIONS

currently exist or are recognised in the future; and (iii) applications, extensions and renewals in relation to any such rights; “**IR35 Rules**” means Chapter 10 of Part 2 of the Income Tax (Earnings and Pensions) Act 2003 (as amended from time to time) and the Social Security Contributions (Intermediaries) Regulations (SI 2000/727) (as amended from time to time); “**Manufacturer**” means the manufacturer of Goods (whether or not Supplier); “**Media**” means any storage media on which any software and/or related Documentation are recorded or printed as provided by Supplier to VMO2; “**Party**” means either VM, O2, an Affiliate or Supplier and “**Parties**” will mean the Parties under a PO; “**Personal Data Breach**” means any breach of security leading to the accidental or unauthorised destruction, loss, alteration, disclosure of, or access to, Personal Data; “**PO**” means a VMO2 purchase order issued by VM or O2 for the purchase of Goods or Services that references these Standard Terms; “**Services**” means the services to be provided under a PO and where relevant includes any Documentation supplied in respect of such Services; “**Specifications**” means the description or specification of the Deliverables as agreed between VMO2 and Supplier in writing (if any); “**Supplier**” means the supplier named in the PO; “**Supplier IPR**” means any and all IPRs owned or controlled by Supplier that exist prior to the date of a PO or created after the date of a PO from developments unconnected with the Deliverables; “**Supplier Personnel**” means any person used by Supplier (directly or indirectly including any employee, consultant, agent or sub-contractor (or any employee or consultant thereof)) to perform any of its obligations under a PO; “**Premises**” means a premises belonging to or in the control of VMO2 or such other premises as may be agreed between the Parties; “**Website**” means for VM (<https://www.virginmedia.com/corporate/contact-us/working-with-us>) and for O2 (<https://www.o2.co.uk/abouto2/supplier-contracting-policy-and-conditions>); “**TUPE**” means the Transfer of Undertakings (Protection of Employment) Regulations 2006 as re-enacted, amended or consolidated from time to time; “**VAT**” means VAT chargeable under the VAT Act 1994 and any subsequent amendments; “**VMO2**” means jointly or singularly (as context and as per the terms of the PO dictate) VM, O2 and/or any other Affiliate who form part of the Virgin Media O2 Group and brand and place a PO with the Supplier; “**VMO2 IPR**” means any and all IPRs owned or controlled by VMO2 that exist prior to the date of a PO or are created after the date of a PO from developments unconnected with that Agreement; “**VMO2 Policies**” means all policies on the Website, and any other relevant policies as advised by VMO2 from time to time; “**Warranty(ies)**” means the warranty(ies) provided by Supplier in relation to the Deliverables and those set out in Schedules 1 and/or 2 (as appropriate); “**Warranty Period**” has the meaning given to it Schedules 1 and/or 2 (as appropriate); and “**Working Day**” means between the hours of 0900 and 1730 on any day (other than a Saturday or Sunday) on which the clearing banks are open for normal banking business in England.

#### 3. CHANGE IN REQUIREMENTS

3.1. Acting reasonably, VMO2 may at any time direct, by prior notice in writing, changes to the Deliverables and/or Specification. If any such change causes an increase or decrease in the cost or timing required to provide the Deliverables, either Party (acting reasonably) will be entitled to request an equitable adjustment to the Charges, or Completion Date, or both. Any request by Supplier for adjustment under this clause must be made within

15 calendar days from the date of receipt by VMO2 of the notification of change.

3.2. Supplier will not change Specifications of Deliverables without the prior written consent of VMO2 (such consent not to be unreasonably withheld).

#### 4. RELEVANCE OF SCHEDULES

4.1. These Standard Terms (including the Schedules) will apply to the sale and purchase of Deliverables as follows:

4.1.1. The supply of Goods will be subject to the additional terms of Schedule 1; and

4.1.2. The provision of Services will be subject to the additional terms of Schedule 2.

4.2. For the avoidance of doubt, Schedules 1 and 2 are not mutually exclusive. Accordingly, one or more of Schedules 1 or 2 may apply to the supply of each Deliverable (or part thereof).

4.3. If a PO does not relate to either Goods or Services then the above referenced schedule(s) will not apply to that PO.

#### 5. VMO2 POLICIES

5.1. In providing Goods or Services, Supplier will comply with all VMO2 Policies. The Supplier will demonstrate to VMO2 when requested that it maintains policies which materially align with the standards and requirements of the VMO2 Policies to the extent they are applicable to the activities carried out by the Supplier. VMO2 may terminate any Agreement immediately by notice in writing if Supplier is in material or continuing breach of the VMO2 Policies.

#### 6. CHARGES AND PAYMENT TERMS

6.1. Subject to Clause 3.1, Charges will be as set out in a PO and will remain fixed until completion of a PO. Except as expressly stated herein, all Charges are exclusive of VAT (if any) but otherwise fully inclusive including without limitation: (a) supply and (where applicable) delivery, off-loading and installation, (b) customs, duties and all other taxes or import levies, and (c) in the case of Goods, delivery DDP (Incoterms 2020 as may be renewed or replaced) to the relevant Premises.

6.2. Supplier will, following Acceptance of any Deliverables, be entitled to submit an invoice for the Charges. Each VAT invoice will include VAT amount, the PO number and any other particulars required in the PO and will be sent to the invoice address specified in the PO. VMO2 will pay Supplier within 90 calendar days from the date of receipt of a correct invoice submitted in accordance with this clause, or such other period agreed between the Parties from time to time (including as specified on the PO).

6.3. VMO2 reserves the right to refuse payment of part or all of any invoice which is not submitted in accordance with these Standard Terms. If either Party fails to pay any correct and undisputed amount, the other Party will be entitled to charge interest at a rate of: (i) 2% above the base rate of the Bank of England per annum (ii) 12% per annum, whichever is lower. Such interest will accrue from the due date until the date of payment. For the avoidance of doubt, any credit notes issued by the Supplier will be due immediately.

6.4. VMO2 and the Supplier agree that the remedies set out in the PO (including liquidated damages) (if any) are reasonable and proportionate to protect VMO2’s legitimate interest in performing as compensation.

6.5. Where Supplier is transacting with O2, Supplier will register for and use the electronic procedures of the Adquira e-commerce





## VIRGIN MEDIA O2

### STANDARD SUPPLIER PURCHASING TERMS AND CONDITIONS

- platform ("Adquira") for the purpose of receiving POs and submitting and viewing invoices. In such circumstances, the Supplier agrees that it will formalise its relationship with Telefonica Compras Electrónicas, S.L. through a corresponding contract and acknowledges and agrees that in doing so, it will be required to pay certain upfront and recurring fees to Telefonica Compras Electrónicas, S.L. Where Supplier registers to use Adquira, all invoices subsequently submitted by Supplier to O2 must be submitted via Adquira, unless otherwise instructed by O2.
- 6.6. Where Supplier is transacting with VM, Supplier will submit and issue invoices to the Transcepta platform which can be found here <http://connect.transcepta.com/SSCPayOps/>. Invoices are only payable and deemed received when successfully submitted in the Transcepta platform. If Supplier is a "self-bill" supplier, there is no requirement to register and use Transcepta to process invoices, and the current process should be followed.
- 6.7. Supplier will provide a statement of account promptly upon request from VMO2.
- 6.8. Where a PO is placed and the Deliverables are being provided to two or more VMO2 companies, VMO2 are entitled to split the Charges between them and will state the amount to be paid by the relevant VMO2 entity on the PO for the Supplier's invoicing purposes. For the avoidance of doubt, the VMO2 companies will have joint and several liability to the Supplier, only in this circumstance.
7. **TERMINATION**
- 7.1. Any Agreement may be terminated immediately by notice in writing by either Party if the other Party commits a material, persistent or continuing breach of any term of the Agreement which breach is irremediable or (if such breach is remediable) the other Party fails to remedy that breach within 30 calendar days after being notified in writing to do so.
- 7.2. Any Agreement may be terminated by either Party if any of the following events occurs in respect of the other Party (or similar event): (a) a proposal is made for a voluntary arrangement of its affairs or of any other composition scheme or arrangement with, or for the assignment for the benefit of, its creditors; (b) a shareholder's meeting is convened for the purpose of considering a resolution that it be wound up or a resolution for its winding-up is passed (other than as part of, and exclusively for the purpose of, a bona fide reconstruction or amalgamation); (c) a petition is presented for its winding up (which is not dismissed within fourteen (14) days of its service) or for the making of an administration order, or an application is made for the appointment of a provisional liquidator; (d) a receiver, administrative receiver or similar officer is appointed over the whole or any part of its business or assets; or (e) it is or becomes insolvent within the meaning of s.123 Insolvency Act 1986.
- 7.3. In the case of a PO related to Goods, VMO2 will be entitled without cost or liability to terminate a PO in respect of all or part of a PO at any time up to 30 calendar days prior to the agreed date for shipping of the Goods on giving written notice to the Supplier. In the case of a PO relating to Deliverables other than Goods, VMO2 will be entitled without cost or liability to terminate the Agreement in respect of all or part of a PO at any time on giving 30 calendar days' notice to the Supplier. In the event that VMO2 terminates a PO or any part of a PO pursuant to this clause and without limiting Clause 7.5 below, VMO2 will pay the reasonable costs and expenses incurred by the Supplier in connection with the Agreement or part which has been terminated up to the effective date of termination provided always that the Supplier will have an obligation to mitigate such costs and expenses and to demonstrate to VMO2's reasonable satisfaction that the same have been incurred.
- 7.4. If at any time during the term of a PO the Supplier is subject to a Change of Control, VMO2 will be entitled to terminate that Agreement without penalty immediately by notice in writing.
- 7.5. If a PO is terminated for any reason: (a) any sums due to VMO2 will become immediately payable by Supplier without set-off or deduction; (b) Supplier will return all tangible property and Confidential Information belonging to VMO2 in its possession, custody or control and VMO2 will return to Supplier all of its tangible property and Confidential Information in its possession, custody or control; (c) each Party will cease use of the other Party's Confidential Information and IPRs; and (d) each Party will, at its sole option, either return or destroy all records, documentation, data, and any other information and all copies thereof which are owned by or licensed to the other Party, and on the other Party's request, a director of the recipient Party will certify in writing that the Party has complied with this clause.
- 7.6. Notwithstanding clause 7.5(d), a Party will be permitted to retain one archival copy of Confidential Information received under the Agreement for a period of five (5) years after the expiry of the Agreement (the "Retention Period") solely for the purpose of satisfying legal disclosure obligations (the "Retained Information") and provided that at all times: (i) the recipient Party maintains the Retained Information in confidence and exercises no lesser security measures and degree of care than those which it applies to its own Confidential Information; and (ii) any access to the Retained Information is on terms no less strict than this Agreement. Following the expiry of the Retention Period, the recipient Party will either return or destroy the Retained Information, and on the other Party's request, a director of the recipient Party will certify in writing that the Recipient has complied with this obligation.
- 7.7. Termination will not prejudice or affect any right of action or remedy already accrued to either Party.
- 7.8. Notwithstanding any termination of a PO the provisions which by their nature are intended to survive such termination will remain in full force and effect including without limitation the obligations of confidentiality.
- 7.9. Without prejudice to clause 8, If a Party (the first Party) is prevented, hindered or delayed from performing any of its obligations under a PO by an EFM which continues for more than 30 calendar days, then the other Party may immediately terminate that Agreement without liability to the first Party on giving written notice of termination to the first Party.
- 7.10. In the event of expiry or termination of a PO, upon request from VMO2, the Parties will agree in good faith a timetable for: (i) the provision of exit support by Supplier; and (ii) the migration of the Services to VMO2 or a Future Supplier, such migration to be completed by the end of the migration period, as agreed between the Parties.
8. **FORCE MAJEURE**
- 8.1. Subject to the remaining provisions of this clause, to the extent that a Party is prevented, hindered or delayed from performing any of its obligations under a PO by an EFM beyond such Party's reasonable control, such Party's obligation to perform its obligations under that Agreement will (during the continuation of the EFM) be read and construed as an obligation to perform such obligations to the best level reasonably achievable in the







## VIRGIN MEDIA O2

### STANDARD SUPPLIER PURCHASING TERMS AND CONDITIONS

- circumstances.
- 8.2. Notwithstanding Clause 8.1, if Supplier claims that it is affected by an EFM, such claim will be valid only to the extent that a prudent supplier operating to standards expected of a leading supplier of the Deliverables in question could not have foreseen and prevented or avoided the effect of such EFM.
- 8.3. A Party claiming to be affected by an EFM will not be entitled to invoke the provisions of Clause 8.1 unless it performs fully the following obligations: (a) on becoming aware of any EFM it will have notified the other Party by the most expeditious method then available, giving details of the EFM, the obligations on its part which are affected and its reasonable estimate of the period for which such failure or delay will continue; (b) it takes all reasonable steps to prevent, avoid, overcome and mitigate the effects of such EFM; and (c) as soon as reasonably practicable after the end of the EFM will notify the other Party in writing that the EFM has ended and resume performance of its obligations under this Agreement.

#### 9. **INDEMNITY**

- 9.1. Supplier will be liable to VMO2 and (and in respect of any third party claims against VMO2), will indemnify VMO2 and hold VMO2 harmless against: (a) all claims, liability, demands, awards, proceedings, costs and expenses arising as a result of any act or omission of Supplier in the performance or purported performance of its obligations under a PO, except to the extent such claims, liability, demands, proceedings, costs or expenses are directly attributable to the proven negligence of VMO2; and (b) any costs, damages, liabilities, losses or expenses (including legal expenses) incurred by VMO2 and arising from any legal actions, claims or demands brought against VMO2 by any third party which state that VMO2's (or its sub-contractor's or agent's) possession and/or use of the Deliverables or Documentation (or any part thereof) infringes any IPRs of a third party (a "Claim").
- 9.2. If a Claim is made: (A) VMO2 will: (i) inform Supplier of it; (ii) provide Supplier (at Supplier's expense) with such assistance as Supplier may reasonably require in connection with defending the same; and (iii) make no admission of liability without Supplier's prior written consent (such consent not to be unreasonably withheld); and (B) Supplier will (i) replace the infringing material with non-infringing material that functions and performs at least as well as the infringing material and complies with any relevant Specification or other requirements of a PO, or (ii) obtain the right for VMO2 lawfully to possess and use in accordance with the provisions of these Standard Terms all the relevant Deliverables and/or documentation and to exercise the rights granted under a PO. In the event that Supplier is unable to provide either of the remedies set out in B(i) or B(ii) above to VMO2's satisfaction, Supplier will refund to VMO2 all amounts paid to Supplier under the applicable Agreement.

#### 10. **LIMITATION OF LIABILITY**

- 10.1. Nothing will exclude or limit the liability of either Party for death or personal injury caused by its negligence, or for fraud, fraudulent misstatement or for any other liability that may not be excluded or limited by law.
- 10.2. Notwithstanding the liability of the Supplier under Clauses 9, 15, 22 or 24, the aggregate liability of either Party to the other under a PO for all losses, damages, costs, claims or expenses suffered by the other arising out of or in connection with any breach by such Party of the terms of a PO or any tort or breach of statutory

duty in connection with such Party's obligations under a PO will be limited to: (a) the amount recoverable will be no more than the greater of £2,000,000, or (b) 200% of the total of all sums paid or due to Supplier for Deliverables in the previous 12 month period in which the circumstances giving rise to such claim(s) arise(s). Neither Party will be liable to the other in respect of any indirect or consequential loss, irrespective of whether such loss was foreseeable or whether the Party has been advised of the possibility that such loss may be incurred.

#### 11. **MISCELLANEOUS**

- 11.1. **Entire Agreement.** Each Agreement (including the terms of any relevant PO) constitutes the entire agreement between the Parties in relation to its subject matter, and replaces and extinguishes all prior agreements, draft agreements, arrangements, undertakings, or collateral contracts of any nature made by the Parties, whether oral or written, in relation to such subject matter. Each Party acknowledges that in entering into a PO, including a PO, it has not relied upon, and will have no rights or remedies (whether in tort, under statute or otherwise) in respect of any statements, collateral or other warranties, assurances, undertakings or representations (whether innocently or negligently made) by the other Party unless expressly set out in the relevant Agreement, PO or Specification.
- 11.2. **Severability.** If any of the provisions of a PO is invalid, illegal or unenforceable, the rest of the PO will remain in effect and such provision(s) will be deemed modified to the extent necessary to render such term or provision enforceable, and the rights and obligations of the Parties will be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the Parties as set out in such Agreement.
- 11.3. **Waiver.** No failure or delay by either Party in enforcing its respective rights will prejudice or restrict the rights of that Party, and no waiver of any such rights or of any breach of any contractual terms will be deemed to be a waiver of any other right or of any later breach.
- 11.4. **Relationship of the Parties.** The relationship between VMO2 and Supplier is that of purchaser(s) and supplier. Nothing in a PO is intended to create a partnership or joint venture of any kind between the Parties, or to authorise either Party to act as agent for the other.
- 11.5. **Assignment and Sub-contracting.** Neither Party will be entitled to assign, novate or otherwise to transfer any of its rights and/or obligations under a PO without the prior written consent of the other Party (not to be unreasonably withheld). VMO2 will be entitled to assign, novate or otherwise to transfer any or all of its rights and/or obligations under a PO to any entity of the VMO2 Group provided that it will give written notification to Supplier of any exercise of its rights under this clause. For the avoidance of doubt, the Supplier will not sell, assign, novate or otherwise transfer (including by way of power of attorney) its present and/or future rights of payment under this Agreement without the prior written consent of VMO2.
- 11.6. **Third Party Rights.** Save as expressly set out in a PO, the Parties intend that a person who is not a Party to a PO will have no rights under the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any term of a PO.
- 11.7. **Notices.** Any notice given under a PO by either Party to the other must be in writing and must be delivered either personally or by recorded delivery post or first class post. For notices to O2, a





## **VIRGIN MEDIA O2**

### **STANDARD SUPPLIER PURCHASING TERMS AND CONDITIONS**

copy of any notice will also be sent by email to: [legalnotices@VMO2.com](mailto:legalnotices@VMO2.com). For notices to VM, a copy of any notice will also be sent by email to: [General.Counsel@virginmedia.co.uk](mailto:General.Counsel@virginmedia.co.uk). In the case of post, such notice will be deemed to have been served 2 Working Days after the date of posting. Notices will be delivered or sent to the addresses of the Parties on the PO or to any replacement address notified in writing by either Party. Each Party may specify by notice in writing to the other a particular individual or office holder to whom any notices served on it are to be addressed in which event a notice will not be validly given unless so addressed.

#### **12. DOCUMENTATION**

12.1. Supplier will provide VMO2 with all information required in order to enable VMO2 to understand and operate the Goods or Deliverable (including, but not limited to installation, commissioning, operation and maintenance). VMO2 will have the right to copy, reproduce and generally use the Documentation for VMO2's own business purposes and the implementation and operation of the Goods and Services. The right to copy, reproduce and use the Documentation will also extend to the VMO2's third party suppliers provided that such use is required for the purposes of providing services to VMO2 or VMO2's customers.

#### **13. SECURITY**

13.1. Supplier will ensure that Supplier Personnel conform to all security, safety and works regulations and such other local instructions, as may be notified by whilst on any Premises or VMO2 customer premises. VMO2 may; (a) remove from and refuse entry and re-admission to any Premises any person who is, in the reasonable opinion of VMO2, not conforming with these requirements or is otherwise not a fit person to be allowed on premises; and/or (b) search any Supplier Personnel, their vehicles, or Goods upon entry to and departure from any Premises.

13.2. Supplier will use its best endeavours to ensure that Supplier Personnel are aware of and comply with these requirements and that no Supplier Personnel unwilling to comply will be engaged on any Premises.

#### **14. AUDIT AND PROVISION OF INFORMATION**

14.1. Supplier will, subject to agreeing confidentiality terms substantially similar to those in a PO, permit VMO2 (and its agents), as well as any representative of any regulatory authority with jurisdiction over any entity of the VMO2 Group, to inspect, review, verify and take copies of any associated records and documentation in the control or possession of Supplier and/or Supplier Personnel relating to the provision of the Deliverables or the processing of Personal Data for the purpose of auditing the work provided (including the accuracy of any amounts invoiced under a PO), or to audit as required to fulfil any legal, regulatory, statutory or reporting obligation, or obligations to members, shareholders or clients of any entity of the VMO2 Group. VMO2 will, where reasonably possible, provide 30 calendar days' written notice to the Supplier prior to conducting an audit. Supplier will provide VMO2, at no additional cost, and its authorised representatives all reasonable assistance and

information in exercising its right of audit under this Clause 14 in connection with any third party or internal audit or compliance request.

14.2. If an audit reveals that there has been any overpayment of the Charges, the amount of the overpayment will be reimbursed (including interest accrued at the rate set out in Clause 6) by the Supplier within 30 days of receipt of VMO2's invoice for such sum. This is without prejudice to VMO2's other rights in relation to such breach. Where the audit reveals a significant overpayment by VMO2 (in excess of 5% of the Charges properly due in the period covered by the audit), the Supplier will also reimburse the costs and expenses incurred by VMO2 in conducting the audit.

#### **15. EMPLOYMENT LIABILITIES**

15.1. If at any time during the course of a PO or following the termination or expiry of a PO it is found or alleged that any Supplier Personnel is or has become an employee of VMO2 or a Future Supplier pursuant to TUPE or otherwise, then Supplier will indemnify VMO2 (for itself and as trustee for any Future Supplier) and keep it indemnified in full against any and all Employment Liabilities arising out of or in connection with any claim or demand by such Supplier Personnel or any trade union, staff association, worker's committee or any other worker representative who represents or purports to represent any or all of the Supplier Personnel.

#### **16. SET-OFF**

16.1. Each Party will be entitled to set off any liability owed to it by the other Party against any liability it may owe to such other Party. In the case of any entity of VMO2's Group, it will further be entitled to set off any liability that it owes to the other Party against any liability such party owes to any entity of VMO2's Group. Any exercise by a party of its rights under this clause will be without prejudice to any other rights or remedies available to it under a PO.

#### **17. ANNOUNCEMENTS AND PUBLICITY**

17.1. Supplier will not make any announcement relating to a PO or its subject matter without the prior written approval of VMO2 except as required by law or regulatory authority.

#### **18. GOVERNING LAW AND JURISDICTION**

18.1. Each Agreement and any issues or disputes arising out of or in connection with it (whether such disputes are contractual or non-contractual in nature, such as claims in tort, for breach of statute or regulation, or otherwise) will be governed by and interpreted in accordance with English Law and the Parties submit to the exclusive jurisdiction of the English Courts provided that VMO2 may apply to any court of competent jurisdiction to defend its IPRs.

#### **19. COMPLIANCE WITH LAWS**

19.1. In performing its obligations under a PO, Supplier will comply with all applicable laws, rules and regulations of governmental entities, having jurisdiction over such performance (including any health and safety legislation and environmental legislation)





**VIRGIN MEDIA O2**  
**STANDARD SUPPLIER PURCHASING TERMS AND CONDITIONS**

- and will not, by any act or omission, place VMO2 in violation of any applicable laws or regulations.
- 19.2. Any breach by the Supplier of Clause 19.1 will be deemed to be a material breach of this Agreement for the purposes of Clause 7.1.
- 19.3. In addition to and without prejudice to Clause 19.1, the Parties each agree and undertake to the other that in connection with a PO and the transactions contemplated, they will each respectively comply with all applicable laws, rules, regulations of the United Kingdom relating to anti-bribery and anti-money laundering and preventing the facilitation of tax evasion.
- 19.4. In the event that VMO2 has a good faith belief that the Supplier may not be in compliance under this clause, VMO2 will advise the Supplier in writing and the Supplier will cooperate fully with any and all enquiries undertaken by or on behalf of VMO2 in connection therewith, including by making available the Supplier's Personnel and supporting documents if reasonably deemed necessary by VMO2.
- 19.5. During the term of this Agreement, the Supplier will not act for, or directly or indirectly provide any services, to any person or entity that:
- 19.5.1. is the subject of any economic or financial sanctions or trade embargoes implemented, administered or enforced by the United Nations Security Council, the European Union, the United Kingdom Government or any other UK government authority, the U.S. Department of the Treasury's Office of Foreign Assets Control or any other U.S. government authority; or
- 19.5.2. would (or would be likely to) conflict with the Supplier's obligations under this Agreement or impair the impartial performance by the Supplier of its obligations under this Agreement.
20. **DATA PROTECTION AND INFORMATION RETENTION**
- 20.1. For the purposes of a PO, both Parties may process Personal Data. Where a Party receives Personal Data as a Processor, the Parties will agree in writing a description of the processing activity as required by the Data Protection Legislation. In this regard, the Processor will comply with Data Protection Legislation when processing the Personal Data and that Party will:
- 20.1.1. act solely on the instructions of the Party providing the Personal Data in relation to the processing of that Personal Data. In the event that a legal requirement prevents the Processor from complying with such instructions or requires the Processor to process the Personal Data otherwise than in accordance with such instructions, the Processor will, unless such legal requirement prohibits it from doing so, inform the other party of the relevant legal requirement before carrying out the relevant processing activities;
- 20.1.2. at all times, ensure that the necessary technical and organisational measures are in place to prevent unauthorised, accidental or unlawful processing or disclosure of such Personal Data and such measures will include but not limited to taking reasonable steps to ensure the reliability of any of its staff who may have access to the Personal Data and ensuring that such staff are subject to appropriate confidentiality undertakings or are under an appropriate statutory obligation of confidentiality. The Processor will, save where prohibited by law and as soon as reasonably practical, notify the other Party of any legal obligation which requires the Processor to disclose the Personal Data to a third party;
- 20.1.3. not transfer the Personal Data outside of the United Kingdom or the European Economic Area (as such term is commonly understood) or to any third party without the other Party's prior written consent and, where such consent is granted, the Processor will put in place such measures and enter into such agreements as the other Party may request in order to ensure that the transfer complies with the requirements of the Data Protection Legislation and any related guidance on personal data transfers outside of the United Kingdom and the EEA;
- 20.1.4. send to the other Party any communications received from Data Subjects in relation to their Personal Data without undue delay. Taking into account the nature of the processing, the Processor will provide such reasonable assistance as the other Party may reasonably request to enable it to satisfy its obligations with respect to responding to any Data Subjects exercising their rights under the Data Protection Legislation;
- 20.1.5. give the other Party reasonable assistance in relation to its compliance with Data Protection Legislation;
- 20.1.6. take reasonable steps to ensure the confidentiality, integrity, availability and resilience of processing systems and services associated with the processing of Personal Data;
- 20.1.7. in addition to any audit rights granted pursuant to Clause 14 of this Agreement, co-operate with and provide such information and access to any facilities, premises or equipment from or on which the Personal Data is, has been, or is to be processed pursuant to this Agreement (including any such facilities, premises or equipment used by staff and / or sub-contractors) as the other Party may reasonably require to enable it to monitor compliance by the Processor with the obligations in this clause 26.1 and the Data Protection Legislation;
- 20.1.8. notify the other Party without undue delay, and in any event within 24 hours, of any Personal Data Breach and assist the other Party with any investigation into and remediation of a Personal Data Breach, including but not limited to assistance to enable the other Party to satisfy its obligations under the Data Protection Legislation with respect to notifications to a regulatory authority and/or the affected Data Subjects;
- 20.1.9. notwithstanding any other clause in this Agreement, not subcontract any of its obligations under this Agreement regarding the processing of Personal Data to a third party (a "Sub-Processor") without the prior written consent of the other Party. Where consent is provided, the Processor will be liable for the acts and omissions of the Sub-Processor as if they were the acts or omissions of the Processor itself and the Processor will ensure that there is a written contract executed between the Processor and the Sub-Processor that contains essentially equivalent protections for the Personal Data as are set out in this Agreement; and
- 20.1.10. on request by the other Party or otherwise upon termination or expiry of this Agreement, immediately





## VIRGIN MEDIA O2

### STANDARD SUPPLIER PURCHASING TERMS AND CONDITIONS

cease processing the Personal Data and immediately supply or return any Personal Data to the other party or delete all Personal Data (including any copies thereof) in accordance with the other Party's instructions, unless a legal requirement requires retention of the Personal Data.

- 20.2. Where applicable, the Supplier will comply with all payment card scheme rules and regulations and required certifications as such rules and regulations apply to the provision of the Services, including but not limited to the most recent version of the Payment Card Industry Data Security Standard as promulgated by the PCI Security Standards Council as updated from time to time ("PCI DSS"). VMO2 may request Supplier to provide written proof of such compliance which Supplier will provide within one (1) month of VMO2's request. The Supplier will perform annual reviews of their card holder environments in accordance to the PCI DSS requirements, reporting to VMO2 any identified vulnerability or non-compliance as per the PCI DSS standard.
- 20.3. The Supplier will comply with VMO2's Information Retention Policy (as amended from time to time) and will notify VMO2 of any law in the jurisdiction(s) in which the Supplier operates which would prevent the Supplier from complying with VMO2's Information Retention Policy.
- 20.4. The Supplier will maintain and keep up to date a list detailing the location of all VMO2 data (including Personal Data) together with details of any third party sub-contractors or third parties with whom the Supplier has shared any VMO2 data.
- 20.5. Any breach by the Supplier of Clause 20 will be deemed to be a material breach of this Agreement for the purposes of clause 7.1.

#### 21. REMEDIATION

- 21.1. If the Supplier commits a default of this Agreement and the default is capable of remedy, VMO2 may, at its election: (i) issue the Supplier with a remediation plan; or (ii) require that Supplier provides a remediation plan. Such remediation plan will describe the default and the actions the Supplier needs to take with respect to remedying the default (the "**Remediation Plan**"). The Supplier will carry out the actions set out in the Remediation Plan as soon as reasonably practicable (or within the time period specified in the Remediation Plan), and will take all necessary steps to ensure that the same or similar default does not occur again (such steps to be evidenced to VMO2 upon request).

#### 22. CONFIDENTIALITY

- 22.1. Each Party will ensure that disclosure of the Confidential Information is restricted to those employees, directors or contractors, and/or members of its Group who need access to the Confidential Information for the purposes of the Agreement. Copies or reproductions of the Confidential Information will not be permitted except to the extent reasonably necessary for the purposes of such Agreement and all copies made will remain the property of the disclosing party.
- 22.2. In this clause "**Confidential Information**" will mean product, business, market, strategic or other information or data (including but not limited to information retained on all types of medium including written, diagrammatical, software or other storage medium) relating to a PO or the business or affairs of the Party disclosed whether in writing, orally or by any other means, and whether or not that information is marked "confidential" excluding any information which: (a) at the time of receipt by the

recipient is in the public domain, or subsequently comes into the public domain through no fault of the recipient or its personnel; (b) is lawfully received by the recipient from a third party on an unrestricted basis; (c) is already known to the recipient before receipt under a PO; (d) is required by law, regulation or order of a competent authority to be disclosed by the recipient provided that the disclosing party is given reasonable advance notice of the intended disclosure and a reasonable opportunity to challenge the same; or (e) is disclosed by the recipient with the prior written approval of the other Party in accordance with the terms of such written approval.

- 22.3. Each Party will maintain Confidential Information in confidence and will exercise in relation to the Confidential Information no lesser security measures and degree of care than those which it applies to its own confidential information, which each Party warrants as providing the protection required by these Standard Terms against unauthorised disclosure, copying or use.

#### 23. INSURANCE

- 23.1. Supplier will have in force and will maintain a policy of insurance in respect of its liabilities under a PO with a limit of indemnity not less than £2,000,000 for any one claim arising out of any one incident or event and without limit as to the number of claims during the period of insurance and shall provide evidence of such insurance to VMO2 on request.

#### 24. IPR

- 24.1. Any VMO2 IPRs supplied to the Supplier by VMO2 and/or its sub-contractor(s) are supplied solely for the purposes of the Supplier performing its obligations under the Agreement. VMO2 IPR vests in and remains with VMO2 and nothing in this Agreement will transfer ownership, or any aspect of ownership in and to VMO2's IPRs to Supplier or be deemed to grant to Supplier any rights or interest or a licence of VMO2's IPR except as expressly set out herein.
- 24.2. The Supplier warrants that all Supplier IPRs vest in and remain with the Supplier and/or its sub-contractor(s) as the case may be and Supplier warrants that:
- 24.2.1. it has the right to use and/or exploit such Supplier IPRs as envisaged under this Agreement; and
- 24.2.2. the Supplier IPRs and the use by VMO2 of Supplier IPRs does not infringe the rights of any third party.
- 24.3. Without prejudice to clause 10.2 above, VMO2's remedy and the Supplier's liability, for any breach of this Clause 24 will be as set forth in clause 9.1(B) above.
- 24.4. Supplier grants to VMO2 an irrevocable, non-exclusive, perpetual licence to use, copy, install, maintain, modify, enhance and adapt the Supplier IPR and to allow members of the VMO2 Group to do the same. VMO2 may also assign or sub-licence its licence to use the Supplier IPR (or any part thereof) to any third party supplier to whom it may outsource the operation of a part of VMO2's operations or business or to a third party customer to whom VMO2 may provide services provided that such third party's use, copying, installation, maintenance, modification, enhancement and adaptation is solely for the purpose of, in the case of a VMO2 Supplier, providing a service to VMO2 and, in the case of a VMO2 customer, using the services provided by VMO2.
- 24.5. In respect of Bespoke IPR, the Parties will clearly identify in writing which of the IPRs ownership options set out in clause 24.6 will apply. If the Parties fail to enter into discussions or to







**VIRGIN MEDIA O2**  
**STANDARD SUPPLIER PURCHASING TERMS AND CONDITIONS**

- reach agreement in relation to the ownership of such Bespoke IPR, clause 24.6(a) below will apply.
- 24.6. The options for ownership of Bespoke IPR will be as follows:
- 24.6.1. VMO2 exclusively owns the Bespoke IPR (in which case Supplier agrees to take all such actions and to execute all such documents, including but not limited to an assignment of all future rights in and to the Bespoke IPR, as may be necessary to enable VMO2 to obtain, defend or enforce its rights to use the Bespoke IPR, and will not do or fail to do any act which would or might prejudice VMO2's rights);
- 24.6.2. Supplier exclusively owns the Bespoke IPR (in which case Supplier grants to VMO2 an irrevocable, non-exclusive, perpetual licence to use, copy, install, maintain, modify, enhance and adapt the Bespoke IPR and to allow members of the VMO2 Group to do the same); or
- 24.6.3. The Bespoke IPR is owned jointly by both Parties. In this case each Party grants the other Party a royalty free, irrevocable, perpetual and transferable licence to use the Bespoke IPR.
25. **SURVIVAL OF PROVISIONS**
- 25.1. Clauses 1, 7, 9, 10, 11, 13, 14, 15 16, 18, 20 (to the extent that a Party retains Personal Data provided by the other Party), 22, 24 and 26 will survive termination of that Agreement, for whatever reason.
26. **MITIGATION**
- 26.1. Each Party will use all reasonable endeavours to mitigate any loss or damage suffered arising out of or in connection with this Agreement, including any losses for which the relevant Party is entitled to bring a claim against the other Party pursuant to the indemnities in this Agreement. Each Party will act in good faith when exercising its rights under this Agreement.
27. **EXECUTION**
- 27.1. A PO may be executed using electronic signatures, electronic copies, and counterparts. Any acceptance of a PO by the Supplier in writing or by their positive act of performing or supplying the Deliverables will be deemed acceptance of these Standard Terms.







**VIRGIN MEDIA O2**  
**STANDARD SUPPLIER PURCHASING TERMS AND CONDITIONS**

**SCHEDULE 1**

**TERMS SPECIFIC TO GOODS**

**1. RIGHT TO INSPECT**

- 1.1. Supplier will, at VMO2's request and where possible, allow VMO2 to inspect and test the Goods prior to despatch to the Premises. If as a result of any inspection or testing VMO2 is not satisfied with the Goods, and VMO2 so informs Supplier within 7 calendar days of such inspection or testing, VMO2 will not be deemed to have accepted such Goods, and VMO2 will not be obliged to pay any relevant Charges until the non-compliance is remedied. No such inspection will diminish or otherwise affect Supplier's obligations. VMO2 will also be entitled to terminate the PO at its sole discretion.

**2. DELIVERY AND ACCEPTANCE**

- 2.1. Supplier will, at its own expense, deliver the Goods during a Working Day, properly packed in accordance with industry standards and secured to the place specified in the PO or such other location in the UK as may subsequently be advised in writing by VMO2. All Goods will be delivered by the relevant Completion Dates, and time will be of the essence in relation to delivery of the Goods.
- 2.2. Supplier will supply VMO2 in good time with any instruction or other information required to enable VMO2 to take delivery of the Goods.
- 2.3. VMO2 will accept Goods after Supplier has demonstrated to VMO2's satisfaction that the Goods: (i) comply with the PO; (ii) comply with the relevant Agreement; and (iii) are in accordance with the Specification, and "Acceptance" will be construed accordingly.
- 2.4. VMO2 may reject any Goods delivered earlier or later than the relevant Completion Date, unless previously agreed in writing by the Parties provided that VMO2 will use its reasonable endeavours to accommodate deliveries effected prior to the relevant Completion Date.
- 2.5. If the Goods (or any parts of them) are not delivered by the relevant Completion Date, VMO2 may terminate in whole or in part the relevant Agreement without cost or liability. Where VMO2 exercises this option: (a) Supplier will refund to VMO2 in full any payments made by VMO2 to Supplier in respect of such Goods; (b) no further payment will be due from VMO2; (c) following receipt of payment in full by VMO2 of all monies due to it in relation to the Goods in respect of which a PO has been terminated (whether in whole or in part), VMO2 will make such Goods available for collection by Supplier and Supplier, will collect such Goods at its own expense within 5 Working Days of payment, and if Supplier fails to collect within this period, VMO2 may dispose of such Goods in its absolute discretion without notice or liability to Supplier; (d) title in the Goods will revert to Supplier following receipt by VMO2 from Supplier of payment in full of the refund due to VMO2; and (e) risk in the Goods will revert immediately to Supplier.
- 2.6. Supplier undertakes at its own expense to repair or replace (at the option of VMO2) Goods lost or damaged in transit, and Acceptance will not be deemed to have taken place until

replacement or repaired items have been delivered to the satisfaction of VMO2.

**3. RISK AND TITLE**

- 3.1. Without prejudice to VMO2's other rights under a PO: (a) title in the Goods will pass to VMO2 on delivery of the relevant Goods, and (b) risk in the Goods will pass to VMO2 on Acceptance save where the Agreement includes installation, in which case risk will not pass to VMO2 until completion of the installation work.
- 3.2. VMO2 will be entitled to resell the Goods either on a standalone basis or as part of a package along with other goods and services.

**4. WARRANTIES**

- 4.1. Supplier will provide VMO2 with the benefit of any Manufacturer's warranties in respect of the Goods and additionally Supplier warrants to VMO2 as follows: (a) Supplier holds absolute legal and beneficial title in and to the Goods and has the unfettered right to sell and supply them and to pass good unencumbered title to VMO2, (b) the Goods are manufactured, supplied and installed in accordance with VMO2 Policies, new and unused, of satisfactory quality and conform in all respects to their description and with the Specification, (c) the Goods will be free from Defects whether actual or latent and whether in design, material or workmanship (d) the Goods will comply in all material respects with all relevant statutory requirements and standards issued from time to time by the International Organisation for Standards (ISO), ITU-T and any other applicable organisation or recognised standards body, (e) the Documentation provided by Supplier in respect of the Goods are or will be of such a standard as to enable suitably trained personnel of VMO2 to understand, operate and maintain the Goods to a level of competence sufficient for VMO2's business purposes, (f) where Supplier modifies the Goods or any part of the Goods for VMO2, such modification will not materially reduce the functionality of the Goods save to the extent that may be agreed by VMO2 in writing prior to Supplier carrying out such modification, (g) the Goods do not contain any of the Conflict Minerals (as defined in the relevant VMO2 Policy); and (h) it has and will maintain all necessary licenses, consents and permissions necessary for the performance of its obligations under this Agreement, a PO or a Specification. The Goods will conform with each Warranty for 12 months or such other period agreed to in writing by the Parties from the date of Acceptance (the "Warranty Period").
- 4.2. If any of the Goods are in breach of any Warranty during the Warranty Period, Supplier will (at VMO2's option and without prejudice to any of its other rights or remedies): (a) repair the Goods promptly at the Premises (and where that is not possible repair the Goods and redeliver to VMO2) or (b) replace the Goods promptly with Goods that conform with the Warranties. This will be at no cost to VMO2. If Supplier fails to repair or replace any Goods within a reasonable period determined by VMO2, VMO2 may either itself or through a third party, repair or





**VIRGIN MEDIA O2**  
**STANDARD SUPPLIER PURCHASING TERMS AND CONDITIONS**

- replace the Goods and set off the cost of doing so against any sum VMO2 owes or will owe to Supplier and recover any further amount outstanding from Supplier as a debt. VMO2's rights and remedies are in addition and without prejudice to its other rights and remedies at law.
- 4.3. The Warranties apply equally to any Goods repaired or replaced in which case the Warranty Period will be the longer of the remainder of the original Warranty Period or 6 months from the
- date of receipt of the repaired or replaced Goods by VMO2 (or such other period agreed to in writing by the Parties).
- 4.4. VMO2's rights under a PO are in addition to the statutory conditions (if any) implied in favour of VMO2 by the Sale of Goods Act 1979, the Consumer Rights Act 2015, Supply of Goods and Services Act 1982, and any successor or equivalent legislation.





**VIRGIN MEDIA O2**  
**STANDARD SUPPLIER PURCHASING TERMS AND CONDITIONS**

**SCHEDULE 2**

**TERMS SPECIFIC TO SERVICES**

**1. GENERAL**

- 1.1. Supplier will provide the Services during Working Day(s) (unless otherwise agreed with VMO2) at the place specified in the PO or such other location as may subsequently be advised in writing by VMO2. All Services will be delivered by the relevant Completion Dates, and time will be of the essence. If the Services (or any parts of them) are not provided by the relevant Completion Date, VMO2 may terminate in whole or in part the relevant Agreement without cost or liability. Where VMO2 exercises this option: (a) Supplier will refund to VMO2 in full all payments made by VMO2 to Supplier in respect of any Services; (b) no further payment will be due from VMO2 in respect of any Services and Supplier will continue to provide the Services free of charge until the Service are completed; and (c) a full refund will be due to VMO2 in respect of any payments already made. Where Supplier is in possession of VMO2's property in pursuance of providing the Services, it will at its own expense repair or replace (at the option of VMO2) any such property that is lost or damaged while in Supplier's possession to the satisfaction of VMO2.
- 1.2. VMO2 will accept Services immediately after Supplier has demonstrated to VMO2's satisfaction that the Services: (i) comply with the PO pursuant to which they are supplied; (ii) comply with the relevant Agreement; and (iii) are in accordance with the Specification, and "Acceptance" will be construed accordingly for the purposes of this Schedule 2.

**2. WARRANTIES**

- 2.1. Supplier warrants to VMO2: (a) that it will ensure that Supplier Personnel will use all skill, care and diligence as would be expected from a skilled and experienced supplier engaged in the same type of business as Supplier and will be performed by employees, authorised agents and sub-contractors possessing the appropriate accreditations, skills and experience for all tasks assigned to them; (b) that Supplier Personnel will carry out the Services in such a way as, (i) not to cause any material fault or malfunction in the Deliverables, (ii) not to cause any material interruption to VMO2's business (other than any agreed downtime and unavoidable interruption which is required in order to perform the Services in a proper and efficient manner), (iii) to comply in all material respects with VMO2 Policies, (iv) to work in a co-operative manner with VMO2 and VMO2's suppliers (where the provision of the Services interact with services of other suppliers) and ensure the effective performance of the Services, and (v) to comply with the service levels (if any); (c) that the Services will conform in all material respects to the relevant Specification and service levels (if any) and will comply in all material respects at the time the relevant Service is performed with all statutory requirements or regulations or any other standards relating to the Services and their supply, that have been issued by any recognised and appropriate standards

bodies; (d) that any Deliverables produced by Supplier in the course of performing Services will comply with the applicable Warranties set out elsewhere in these VMO2 Standard Terms; (e) it will operate PAYE in respect of all income received by individuals involved in the supply of Deliverable and/or performance of a PO; (f) it has not entered into and will not enter into any contracts or arrangements with any third party in connection with a PO that give rise or will give rise to any obligation of VMO2 under the IR35 Rules; (g) it will respond to VMO2 upon request from time to time to confirm that the circumstances described in paragraphs 2.1(e) and (f) of this Schedule 2 still exist; and (h) has and will maintain all necessary licenses, consents and permissions necessary for the performance of its obligations under this Agreement, a PO or a Specification.

- 2.2. If any of the Services performed are found to be in breach of any Warranty, Supplier will (without prejudice to its other rights or remedies) re-perform the Services promptly at the Premises. This will be at no cost to VMO2. If Supplier fails to re-perform the Services within a reasonable period determined by VMO2, VMO2 may either itself or through a third party, re-perform the Services and set off the cost of doing so against any sum VMO2 owes or will owe to Supplier and recover any further amount outstanding from Supplier as a debt. VMO2's rights and remedies are in addition and without prejudice to its other rights and remedies at law.
- 2.3. The Warranties apply equally to Services re-performed.

**3. SUPPLIER OBLIGATIONS**

- 3.1. The Supplier will use all commercially reasonable endeavours to continuously improve the Services and the service levels (if any) and the efficiency and cost effectiveness of the provision of the Services such that, as practical and appropriate, the Charges can be reduced or the value for money to VMO2 of the Services can otherwise be improved. The Supplier will, at VMO2's request, prepare a written plan which will include a plan for identifying, monitoring and achieving continuous Service delivery, service level improvement (if any) and cost improvements and efficiencies. The Supplier will report the results of such plan to VMO2 (at VMO2's request). If VMO2 wishes to implement any improvements, the Supplier will use all commercially reasonable endeavours to implement the improvements as soon as possible, at a cost to be agreed by the Parties (and to be borne by VMO2).
- 3.2. The Supplier will take all reasonable efforts to ensure continuity of Supplier Personnel, and will notify VMO2 (where possible, with 30 calendar days' written notice) if any key Supplier Personnel are replaced or are to be replaced, where such replacement would materially affect the Supplier's performance of their obligations under this Agreement.

