

## DIRECT LINE GROUP STANDARD CONDITIONS OF PURCHASE

### 1. DEFINITIONS

1.1 The expressions which follow are given these meanings:

**"Agreement"** means the contract for the supply of the Deliverables by the Supplier to the Buyer, comprising the Purchase Order, the Special Terms, the International Terms, the Specification, the General Terms and any other documents attached to or referred to in the Purchase Order;

**"Anti-Corruption Laws"** means (a) the Bribery Act 2010; and (b) any anti-bribery or anti-corruption related provisions in criminal and anti-competition laws and/or anti-bribery or anti-corruption laws of the jurisdiction in which the Supplier provides the services, together with any amending, consolidating or successor legislation or case law which has effect from time to time in the relevant jurisdiction;

**"Anti-Fraud Laws"** means failure to prevent fraud pursuant to s.199 of the Economic Crime and Corporate Transparency Act 2023 ("ECCTA") and all offences listed in schedule 13 of ECCTA, including false accounting pursuant to s.17 of the Theft Act 1968, false statements by company directors pursuant to s.19 of the Fraud Act 1968, fraudulent trading pursuant to s.993 of the Companies Act 2006, fraud pursuant to s.1 of the Fraud Act 2006, participating in fraudulent business carried on by a sole trader pursuant to s.9 of the Fraud Act 2006, obtaining services dishonestly pursuant to s.11 of the Fraud Act 2006 and the offence of cheating the public revenue;

**"Business and IT Service Continuity and Recovery Plans"** means the plans to ensure the continued and uninterrupted performance and operational resilience of the supply of Deliverables in accordance with this Agreement by the Supplier in the case of a Disruption;

**"Buyer"** means the member of Direct Line Group which issued the Purchase Order;

**"Buyer Anti-Corruption Due Diligence Questionnaire"** means the Buyer anti-corruption due diligence questionnaire to be completed by suppliers or potential suppliers as it exists from time to time, whether incorporated into a wider questionnaire or request for information or existing as a separate document;

**"Consumer Duty"** means the FCA's rules, guidance and provisions from time to time concerning the standard of care firms give consumers, including Principle 12 and PRIN 2A of the prevailing FCA handbook;

**"Controller"** has the meaning given to that term in the UK GDPR;

**"Confidential Information"** means information in any form that is designated as 'confidential' or which by its nature or the circumstances in which it is divulged is clearly confidential. In the case of the Buyer and other members of the Direct Line Group, Confidential Information includes Personal Data and any information concerning a complaint and/or that entity's business, customers, designs, finances, know-how, market opportunities, operations, plans, procedures processes, technology, and trade secrets;

**"Data Protection Act"** means the Data Protection Act 2018 (as amended, consolidated or re-enacted from time to time);

**"Data Protection Impact Assessment"** means an assessment of the impact of the envisaged Processing operations on the protection of Personal Data, as required by article 35 of the UK GDPR;

**"Data Protection Laws"** means (i) any law, statute, declaration, decree, directive, legislative enactment, order, ordinance, regulation, rule or other binding restriction (as amended, consolidated or re-enacted from time to time) which relates to the protection of individuals with regards to the processing of personal data to which a party is subject, including the Data Protection Act and the UK GDPR (on and from 1 January 2021), as well as the Privacy and Electronic Communications (EC Directive) Regulations 2003; and (ii) any code of practice or guidance published by any relevant Regulator from time to time;

**"Data Subject"** has the meaning given to that term in the UK GDPR;

**"Data Subject Request"** means an actual or purported subject access request or notice or complaint from (or on behalf of) a Data Subject exercising his rights under the Data Protection Laws;

**"Deliverables"** means the goods, services, software and/or data to be supplied by the Supplier to the Buyer as set out in the Agreement;

**"Direct Line Group"** means (a) DL Insurance Services Limited and any company that is from time to time (i) a holding company, (ii) a subsidiary, or (iii) a subsidiary of a holding company, of DL Insurance Services Limited. Notwithstanding the foregoing, the following are not members of Direct Line Group (i) the UK government or any member or instrumentality thereof, including Her Majesty's Treasury and UK Financial Investments Limited (or any directors, officers, employees or entities thereof) or (ii) any persons or entities controlled by or under common control with the UK government or any member or instrumentality thereof (including Her Majesty's Treasury and UK Financial Investments Limited) and which are not part of Direct Line Insurance Group plc and each of its subsidiaries or subsidiary undertakings. For the purposes of the definition of Direct Line Group the expressions "holding company", "subsidiary" and "subsidiary undertaking" have the meanings given to them in the Companies Act 2006. In this Agreement companies within the Direct Line Group are called "members" of the Direct Line Group;

**"Disruption"** means any event or series of events, internal or external to the Supplier and/or its Subcontractor(s), which adversely impact and/or have the potential to adversely impact the supply of Deliverables in accordance with this Agreement;

**"Environmental Protection Initiatives"** means all British, EU or international standards, guidelines, regulations and legislative requirements concerning producer responsibility, environmental protection, disposal of waste, use of

hazardous substances or similar concepts including the Waste Electrical and Electronic Equipment Directive (2002/96/EC) and applicable national implementing legislation, and the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Directive (2012/19/EU) and applicable national implementing legislation;

**"FCA"** means the Financial Conduct Authority or any replacement body from time to time;

**"General Terms"** means these Direct Line Group Standard Conditions of Purchase, excluding the International Terms;

**"ICO"** means the UK Information Commissioner's Office or any Regulator that replaces it;

**"Intellectual Property Rights"** means any of these rights, namely:

- 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), and where applicable any goodwill therein;
- 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;

**"International Terms"** means the terms and conditions set out in Clause 30 of these General Terms;

**"International Transfer Requirements"** means the requirement to ensure that transfers of personal data outside of the UK have adequate protections in place, as set out in the Data Protection Laws;

**"Key Subcontractor"** means a subcontractor who, under or in connection with this Agreement: (a) Processes any Personal Data; (b) has access to any Buyer or other member of the Direct Line Group's technology systems or Confidential Information; (c) could adversely impact the provision of the Deliverables in accordance with this Agreement in a way that is more than trivial; (d) has been designated as a 'critical third party' by the FCA, PRA and/or HM Treasury; (e) may have unaccompanied access to any premises owned, operated, or used by the Buyer or any other member of the Direct Line Group; and/or, (f) may have direct contact with any customer of the Buyer or other member of the Direct Line Group;

**"Loss"** has the meaning set out in Clause 20;

**"Minimum IS Requirement Exceptions"** those aspects of the Minimum IS Requirements with which the Supplier is not required to comply as agreed between the parties in writing from time to time;

**"Minimum IS Requirements"** Direct Line Group's minimum information security requirements for the protection of Confidential Information and Personal Data, as provided to the Supplier from time to time;

**"New Supplier"** means a supplier (who is not the Supplier) appointed by a member of Direct Line Group to supply the Deliverables (or similar Deliverables) in succession to the Supplier on expiry or termination of the Agreement;

**"PCI DSS"** means the prevailing version of the Payment Card Industry Data Security Standard (DSS) and its supporting documentation;

**"Personal Data"** has the meaning given to that term in the UK GDPR, and includes Sensitive Personal Data;

**"Personal Data Breach"** has the meaning given to that term in the UK GDPR, and shall include a breach of Clause 14.4.3 (Data Protection);

**"Processing"** and **"Processor"** have the meaning given to those terms in the UK GDPR, and the terms "Process" and "Processed" shall be construed accordingly;

**"Purchase Order"** means the Buyer's order for the Deliverables, on the Buyer's standard order form, which incorporates or refers to these terms and conditions;

**"Regulator"** means any regulator or regulatory body (including the FCA and ICO) to which each Direct Line Group member is subject from time to time, or whose consent, approval, or authority is required so that such Direct Line Group member can lawfully carry on its business;

**"Regulator Correspondence"** means any correspondence or communication (whether written or verbal) from a Regulator in relation to the Processing of the Personal Data;

**"Security Requirements"** means the requirements regarding the security of the Personal Data, as set out in the Data Protection Laws (including, in particular, the sixth data protection principle of the Data Protection Act and/or the measures set out in article 32(1) of the UK GDPR (taking due account of the matters described in article 32(2) of the UK GDPR)) as applicable;

**"Security Tests"** means security test procedures including tests of IT general controls, tests of IT application controls, penetration tests, compliance scans and vulnerability scans;

**"Security Testers"** means employees, agents and/or third parties engaged by or on behalf of the Buyer to perform Security Tests;

**"Sensitive Personal Data"** means Personal Data that reveals such categories of data as are listed in article 9(1) and article 10 of the UK GDPR;

**"Special Terms"** means any additional terms and conditions set out or referred to in the Purchase Order relating to the supply of the Deliverables;

**"Specification"** means all specifications, descriptions and requirements of the Deliverables set out within or referred to in the Agreement;

**"Supplier"** means the person, company, firm or organisation to which the Purchase Order is addressed;

**"Supplier Anti-Bribery and Corruption Policy"** means the Supplier's own anti-bribery and corruption policy;

**"Systems"** means any systems, whether at the Supplier or its subcontractors, which are used in the provision of the services to store, process or transmit any Confidential Information or Personal Data whether held electronically, on paper or in any other form;

**"Third Party Request"** means a written request from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by law or regulation;

**"TUPE"** means the Transfer of Undertakings (Protection of Employment) Regulations 2006; and,

**"UK GDPR"** has the meaning given to that term in Section 3(10)(as supplemented by Section 205(4)) of the Data Protection Act.

**"Vulnerable Customer"** a customer: (i) with whom the Supplier (including its Staff) has direct contact in the performance of any aspect of this Agreement; and, (ii) who, due to their personal circumstances, is especially susceptible to detriment, particularly when a firm is not acting with appropriate levels of care.

1.2 Unless the context requires a different interpretation, the following rules shall be used to interpret this Agreement:

1.2.1 any reference to a provision of a statute includes to (a) that provision as amended, extended or applied by any other provision regardless of whether the other provision became law before or after this Agreement; (b) any re-enactment of that provision (with or without change); and, (c) any regulation, order, code of practice or similar thing having the force of law made (before or after this Agreement) under that provision or any provision falling within Clause 1.2.1(a) or Clause 1.2.1(b);

1.2.2 any use of the words "include", "includes", "including" or "in particular" (or similar derivatives) will not be limited by the words that follow; and,

1.2.3 the headings in this Agreement do not affect its interpretation.

## **2. CONTRACT FORMATION**

2.1 The Supplier shall confirm its acceptance of the Purchase Order by notifying the Buyer in writing or by electronic mail or by supplying the Deliverables. On acceptance of the Purchase Order, the effective date of the Agreement will be the date of the Purchase Order.

2.2 Any terms and conditions set out in the Supplier's order acceptance or standard terms of business are expressly excluded from the Agreement.

2.3 The Buyer may send Purchase Orders by electronic means, and the Supplier may accept Purchase Orders by electronic means. The parties expressly waive any rights to contest the validity or enforceability of the Agreement on the sole ground that it was effected by electronic means.

## **3. SUPPLY OF GOODS**

3.1 The Supplier shall supply the goods in accordance with the Agreement, including any instructions specified on the Purchase Order. Goods shall be packaged and carried so as to reach the delivery location undamaged and in accordance with the requirements of the Agreement. The Supplier shall advise the Buyer of any hazards to health, safety and welfare relating to the Deliverables and will include full and clear instructions regarding handling, storage and use of goods.

3.2 Any signature on behalf of the Buyer, given on any delivery note or other documentation presented for signature in connection with delivery of goods, is evidence only of the number of packages received. In particular, it is not evidence that the correct quantity or number of goods has been delivered or that the goods delivered are undamaged and in accordance with the requirements of the Agreement.

3.3 Title to the goods shall pass to the Buyer on delivery or on payment by the Buyer (whichever is earlier), but risk shall not pass to the Buyer until the goods have been delivered and accepted in accordance with the Agreement.

3.4 Where title in any of the goods passes to the Buyer before delivery, such goods shall be clearly identified and marked as the property of the Buyer or in such manner as the Buyer may require.

## **4. SUPPLY OF SERVICES**

4.1 The Supplier shall supply the services in accordance with the Agreement, including any instructions specified on the Purchase Order.

### **4.2 Vulnerable Customers**

4.2.1 The Supplier shall devise, maintain and enforce all processes necessary to identify Vulnerable Customers and ensure each Vulnerable Customer achieves an outcome that is as good as those of other customers at all times. This shall include the Supplier:

- a. ensuring that all customer facing Staff receive all appropriate training to recognise customer vulnerability and respond to Vulnerable Customer needs;
- b. ensuring that all necessary adjustments are made in respect of Vulnerable Customers;

- c. making reasonable efforts to accommodate the Vulnerable Customer's requirements, as relevant to their specific needs;
  - d. taking great care when discussing and understanding the Vulnerable Customer's needs;
  - e. ensuring that any special requirements of the Vulnerable Customer is made known to all Staff prior to that Staff engaging with the Vulnerable Customer, and that such Staff comply with these special requirements at all times;
  - f. ensuring that the Vulnerable Customer, or their named representative where appropriate, are kept adequately informed at all times during the provision of services in respect of that Vulnerable Customer;
  - g. providing clear and transparent explanations of:
    - i. the options available to the Vulnerable Customer; and,
    - ii. the provision of services to that Vulnerable Customer,
 and ensuring that the Vulnerable Customer understands such explanations and that no important information is omitted; and,
  - h. tailoring all communications with the Vulnerable Customer to the Vulnerable Customer's needs as appropriate and, where possible, using the Vulnerable Customer's preferred channel of communication.
- 4.2.2 The Supplier shall implement all processes necessary to allow the Buyer to monitor the number of, and treatment of, Vulnerable Customers.
- 4.2.3 Where there is an increased risk of detriment to a Vulnerable Customer (including a Customer in a vulnerable situation) due to the nature of that customer's vulnerability, the Supplier shall prioritise services to that customer.
- 4.2.4 The Parties agree that any medical or health related data Processed by the Supplier as part of its assessment into whether a customer is a Vulnerable Customer is Personal Data, and the Supplier shall abide by Clause 14 (Data Protection) in respect of such Personal Data, including that:
- a. it shall only collect such Personal Data as is strictly necessary for performance of this Agreement;
  - b. it shall only Process Personal Data in such manner and for those purposes which are expressly agreed with the Controller. In the circumstances where the Supplier is acting as a Controller, the Supplier shall also ensure that it maintains the lawful basis for Processing such Personal Data; and,
  - c. the Supplier shall only transfer such Personal Data to any member of the Direct Line Group to enable that member of the Direct Line Group to support the Vulnerable Customer.

## **5. SUPPLY OF SOFTWARE**

- 5.1 The Supplier will deliver the software to the Buyer in accordance with the Agreement, including any instructions specified on the Purchase Order.
- 5.2 The Supplier hereby grants to Direct Line Group and each of its members a perpetual, non-exclusive, world-wide licence to copy and use the software for such purposes as the members of Direct Line Group may reasonably require. The foregoing licence shall extend to any amended or new versions of the software which may be subsequently provided to Direct Line Group.
- 5.3 Without limiting the terms of Clause 5.2, the foregoing licence includes the right for each member of Direct Line Group to use the software by running it on any central servers, networks and other computer equipment at any location and to make such copies of the software as Direct Line Group needs from time to time for operational, security, back-up and disaster recovery purposes and to use them for these purposes.
- 5.4 Any member of Direct Line Group may also use the software to receive, process, generate, store and transmit data for any customer. In addition, any member of Direct Line Group may permit its consultants, contractors, service providers or agents to use the software on its behalf for any purpose provided that the Buyer will be responsible for ensuring that any consultant, contractor, service provider or agent who has this permission fully complies with the terms of the Agreement that relate to the software.
- 5.5 The only restrictions on use which shall apply to the software licence granted under Clauses 5.2 and 5.3 shall be any licence restrictions specified in the Special Terms.

## **6. SUPPLY OF DATA**

- 6.1 The Supplier will deliver the data to the Buyer in accordance with the Agreement, including any instructions specified on the Purchase Order.
- 6.2 The Supplier hereby grants to Direct Line Group and each of its members a perpetual, non-exclusive, world-wide licence to copy and use the data for such purposes as the members of Direct Line Group may reasonably require. The foregoing licence shall extend to any updates to the data which may be subsequently provided to Direct Line Group.
- 6.3 The only restrictions on use which shall apply to the data licence granted under Clause 6.2 shall be any licence restrictions specified in the Special Terms.

## **7. DELAYS**

- 7.1 If the Supplier fails to supply the Deliverables in accordance with the Agreement, the Buyer may, without prejudice to any other rights or remedies it may have:

- 7.1.1 specify by written notice to the Supplier such revised delivery or performance date as it shall, in its reasonable opinion, think fit; or,
- 7.1.2 terminate the Agreement upon giving notice in writing to the Supplier on the grounds of the Supplier's material breach of its terms and recover from the Supplier damages for Loss sustained by Direct Line Group resulting from the failure to supply the Deliverables in accordance with the Agreement.
- 7.2 In the event of termination in accordance with this Clause 7, the Supplier shall repay to the Buyer immediately any sums already paid by the Buyer under the Agreement.
- 7.3 The Supplier shall advise the Buyer immediately on becoming aware that it may be unable to supply the Deliverables in accordance with the Agreement.
- 7.4 In respect of the Supplier's obligations under the Agreement, time shall be of the essence. If no date for the supply of the Deliverables is specified in the Purchase Order, the Supplier shall propose a date to the Buyer as soon as reasonably practicable. The date agreed by the Buyer shall form part of the Agreement.

## **8. REJECTION OF DELIVERABLES**

- 8.1 Any member of Direct Line Group may reject any Deliverables which are not in accordance with the Agreement, and Direct Line Group shall not be deemed to have accepted any Deliverables until the member of Direct Line Group to which they have been delivered has had a reasonable time to inspect them following delivery or, if later, within a reasonable time after any defect in the Deliverables which is not immediately apparent, becomes apparent. The Supplier shall repay to the Buyer immediately all sums paid by the Buyer in relation to any Deliverables which are rejected.
- 8.2 The Buyer shall have the right to require the Supplier, at the Supplier's own risk and expense, expeditiously to collect and replace any rejected goods, software or data and to re-perform any rejected services. Where the Supplier supplies any replacement Deliverables in accordance with this Clause, the provisions of the Agreement shall apply to such replacement Deliverables.

## **9. PRICE AND PAYMENT**

- 9.1 Unless the contrary is expressly stated elsewhere in the Agreement, the prices set out in the Purchase Order shall remain fixed and are exclusive of any applicable Value Added Tax, which shall be paid by the Buyer subject to receipt of a valid VAT invoice, and are the total prices payable by the Buyer for the Deliverables. Following delivery or performance of the Deliverables, the Supplier shall send to the Buyer an invoice clearly identifying the Deliverables and quoting the Purchase Order number.
- 9.2 All payments due shall be paid by the Buyer within 30 days of receipt by the Buyer of the Supplier's invoice issued in accordance with the Agreement provided the Supplier has complied with its obligations under the Agreement. The Supplier shall issue invoices at the times set out in the Purchase Order. If no times are set out, the Supplier shall issue invoices following delivery or performance of the Deliverables. The Buyer shall pay the Supplier interest on any late payment, if requested, at the rate equal to 3 per cent per annum above the published Royal Bank of Scotland base rate from time to time. Interest shall be payable from the date 30 days after receipt by the Buyer of the Supplier's invoice until the date payment is credited to the Supplier's bank account by electronic transfer or the date a cheque in payment is posted to the Supplier by the Buyer.
- 9.3 The Buyer shall not be bound to pay any invoice which is not issued in accordance with the Agreement and shall notify to the Supplier in writing the reasons for non-payment. Payment shall not operate as a waiver of any rights of the Buyer.
- 9.4 The Buyer may set off against any payment due to the Supplier from the Buyer any sum that is or may become due to the Buyer from the Supplier.

## **10. WARRANTIES**

- 10.1 The Supplier represents, warrants and undertakes that:
  - 10.1.1 the Deliverables will conform in all respects with the Specification and shall conform with the Supplier's current product specifications, descriptions, user manuals or other product documentation and with any samples provided;
  - 10.1.2 the Deliverables shall meet the Buyer's specified or reasonable requirements, including the Direct Line Group policies shared with the Supplier from time to time;
  - 10.1.3 the Deliverables shall avoid foreseeable harm and support customers to pursue financial objectives and shall be performed in accordance with the Consumer Duty;
  - 10.1.4 the Deliverables shall be free from defects in design, workmanship or materials, shall be of satisfactory quality and fit for the Buyer's purpose;
  - 10.1.5 any software within the Deliverables will be fit for its intended purpose and will not contain any viruses or locking or destructive mechanisms;
  - 10.1.6 any data within the Deliverables will be accurate;
  - 10.1.7 all services within the Deliverables will be performed with reasonable skill, care, diligence and in accordance with good industry practice;
  - 10.1.8 it shall: (a) only use technically competent and properly trained and qualified individuals in the supply of the Deliverables; and, (b) ensure no individual engaged by it or on its behalf behaves in a way that could be deemed to be harassment (including sexual harassment) towards any employee of the Buyer or other member

of the Direct Line Group, or any customer;

10.1.9 the Deliverables shall comply with all applicable British, EU or international laws, regulations, standards, and with any of the Buyer's quality assurance or other requirements notified to the Supplier; and,

10.1.10 all goods and software within the Deliverables with a monetary related function will be capable of performing their monetary related functions in Sterling and/or Euros and will function in conformity with all applicable conversion and rounding requirements relating to the European single currency as set out in applicable EU and UK legislation from time to time.

10.2 If there is any defect in the Deliverables as a result of any breach of the foregoing undertakings within the period of twelve (12) months (or such other period as may be set out elsewhere in the Agreement) from the date of delivery or performance of the Deliverables, the Supplier shall rectify the defect by replacing or repairing defective goods, software or data or re-performing defective services as soon as possible after receipt of notice of the defect from the Buyer. Each replacement, repair or re-performance shall also be subject to this Agreement.

10.3 The rectification of defects in the Deliverables shall be without prejudice to the Buyer's other rights and remedies for breach of contract.

10.4 If requested by the Buyer at any time within the period of five (5) years from the date of the Agreement, the Supplier will provide a maintenance and support service for the Deliverables including, where applicable, the supply of spare parts. Such service shall be provided for charges that are reasonable and otherwise on terms to be agreed between the parties.

## **11. ENVIRONMENTAL PROTECTION**

11.1 The Supplier warrants that all goods within the Deliverables shall comply with all British, EU or international standards, guidelines, regulations and legislative requirements concerning producer responsibility, environmental protection, disposal of waste, use of hazardous substances or similar concepts including the Environmental Protection Initiatives, and the Supplier shall provide reasonable evidence of such compliance to the Buyer on request.

11.2 The Supplier will, as between the Supplier and Direct Line Group, assume responsibility for compliance with all Environmental Protection Initiatives relating to the Deliverables including:

11.2.1 procuring that appropriate materials are used in the Deliverables and that the Deliverables do not contain any substances restricted under the Environmental Protection Initiatives;

11.2.2 ensuring the Deliverables are appropriately marked;

11.2.3 ensuring that the design and production of the Deliverables takes into account the dismantling and recovery requirements of the Environmental Protection Initiatives in the production of the Deliverables and its components and materials;

11.2.4 providing for the collection, treatment, recovery and environmentally sound disposal of the Deliverables, including assuming responsibility for taking back the Deliverables in the future upon the request of the Buyer or its customer and treating or otherwise managing the same in accordance with the requirements of the Environmental Protection Initiatives and applicable national implementing legislation;

11.2.5 providing appropriate information to users;

11.2.6 fulfilling in a timely fashion all legal requirements of the Environmental Protection Initiatives including, where necessary, registration or notification with national authorities in all relevant counties; and,

11.2.7 providing Direct Line Group with all assistance necessary to enable Direct Line Group to comply with any obligations on it under the Environmental Protection Initiatives,

and no additional charges will be sought by the Supplier, or additional payments due from the Buyer, for the Supplier's agreement to undertake these responsibilities. The Supplier will fully indemnify Direct Line Group and its members against any Loss which Direct Line Group and its members may incur as a result of any claim that any part of the Deliverables does not comply with the Environmental Protection Initiatives.

## **12. STAFF**

12.1 The Supplier will use all reasonable efforts to ensure that all persons employed or engaged by it in the supply of the Deliverables are honest, law-abiding and have no known links to any entity, group or network which participates in, encourages or supports unlawful activities. The Supplier shall conduct appropriate recruitment and security vetting procedures in relation to such persons and will not employ or engage anyone to perform its obligations under the Agreement who has not passed the Supplier's recruitment and security vetting procedures. The Supplier will not permit any persons employed or engaged by it in the supply of the Deliverables to have access to Direct Line Group data, or to have unaccompanied access to Direct Line Group premises, unless the Supplier has obtained from the Buyer, and complied with, Direct Line Group's Pre-Employment Screening requirements. The Supplier will ensure that any subcontractor complies with the provisions of this Clause 12.1. Failure by the Supplier to comply with this Clause 12.1 shall constitute a material breach of the Agreement by the Supplier.

12.2 If the employment of any individual is transferred from the Supplier (or any subcontractor of the Supplier) to the Buyer or to another member of Direct Line Group or to any New Supplier by virtue of TUPE or any person asserts that his employment has so transferred, then the Buyer or such member of Direct Line Group or such New Supplier may terminate the employment of any such person within six (6) weeks of becoming aware of such transfer or alleged transfer. Whether or not the Buyer or such member of Direct Line Group or such New Supplier terminates any contract of employment in such circumstances, the Supplier will indemnify the Buyer and each such member of Direct Line Group and each New Supplier against (or, at the option of the Buyer, indemnify the Buyer on its own behalf and/or on

behalf of any such member of Direct Line Group and/or any such New Supplier), and as a separate obligation undertakes to pay to the Buyer the amount of, all losses, fines, penalties, awards, liabilities, costs, damages and expenses (including reasonable legal expenses on an indemnity basis) which the Buyer and/or any such member of Direct Line Group and/or any such New Supplier may suffer or incur and which arise in connection with, or relate to the employment of such a person and/or the termination of their contract of employment.

### 13. INFORMATION SECURITY

- 13.1 For the purposes of this Clause 13 (Information Security), the term "**Service Beneficiary's Confidential Information**" refers to a member of the Direct Line Group's Confidential Information obtained under or in connection with this Agreement.
- 13.2 The Supplier shall at all times in respect of each Service Beneficiary's Confidential Information:
- 13.2.1 identify and protect the confidentiality, security, integrity and availability of such Service Beneficiary's Confidential Information;
- 13.2.2 operate in accordance with (in descending order of precedence): (a) all Laws and/or requirements of a Regulator; (b) the Minimum IS Requirements (excluding any Minimum IS Requirement Exceptions); and, (c) good industry practice (including all industry standards relating to data or information security); and,
- 13.2.3 not process, use, disclose, share, sell, assign, lease or commercially exploit such Service Beneficiary's Confidential Information other than as authorised by this Agreement or otherwise expressly authorised by the Buyer in writing.
- 13.3 On request by the Buyer, the Supplier shall promptly demonstrate to the Buyer's satisfaction that it is fully compliant with this Clause 13 (Information Security). If the Buyer considers that the Supplier is not fully compliant with this Clause 13 (Information Security), the Supplier shall promptly implement such additional information security requirements as the Buyer requires to ensure compliance with this Clause 13 (Information Security).
- 13.4 Upon any potential and/or known breach of this Clause 13 (Information Security), the Supplier shall promptly: (i) notify the Buyer of such breach (and where this is by telephone, accurately follow-up the conversation in writing); (ii) mitigate as far as possible any potential and/or actual impact of such breach on Customers, the Buyer and/or any member of the Direct Line Group; (iii) prevent and/or remedy such breach as applicable; (iv) at the Buyer's request conduct, or support the Buyer in conducting, all investigations and analysis that the Buyer requests in connection with such breach; and, (v) implement any actions or remedial measures that the Buyer considers necessary as a result of such breach.
- 13.5 In the event that the Supplier receives a request from or is required by Law, a Regulator, and/or a court of competent jurisdiction to disclose any Service Beneficiary's Confidential Information, to the extent it is legally permitted to do so the Supplier shall: (i) give the Buyer as much notice as possible of such requested or required disclosure; and, (ii) provide the Buyer with such assistance as the Buyer requests to prevent or limit such disclosure.
- 13.6 The Supplier shall:
- 13.6.1 ensure that all Service Beneficiary's Confidential Information that is no longer required is fully, securely and permanently erased or destroyed; and,
- 13.6.2 return (where such is provided by or on behalf of the Buyer) or destroy any information processing equipment which is surplus to requirements and which has held any Service Beneficiary's Confidential Information, and such erasure, destruction and/or return shall fully comply with the Minimum IS Requirements.
- 13.7 Save as expressly authorised by the Buyer in writing, the Supplier shall not store or otherwise process any payment card data in under or in connection with this Agreement.
- 13.8 If the Supplier does store, process, transmit, or impact (or potentially impact) the security of any payment card data under or in connection with this Agreement, the Supplier shall:
- 13.8.1 maintain full compliance with PCI DSS at all times;
- 13.8.2 evidence its compliance with Clause 13.8.1 to the Buyer's satisfaction: (a) before the first time it stores or otherwise processes any payment card data at all under or in connection with this Agreement; (b) at least annually during the Term; and, (c) as requested by the Buyer from time to time. As a minimum, (a) and (b) shall be evidenced by the Supplier providing the Buyer with an 'Attestation of Compliance' which: (i) where the Supplier is a 'Level 1 Service Provider', shall be from a 'QSA' and verify the Supplier's compliance to PCI DSS (such terms as defined by the applicable payment card scheme operator from time to time); or, (ii) where the Supplier is a 'Merchant', shall be from the Supplier or Supplier's 'QSA' to verify the Supplier's compliance with the 'Merchant Agreement' between the Supplier and the Supplier's 'Acquiring Bank' (such terms as defined by the Supplier's acquiring bank from time to time);
- 13.8.3 be responsible for the security of all cardholder data the Supplier and/or its Staff possess, store, process, and/or transmit under or in connection with this Agreement; and,
- 13.8.4 implement the security measures reasonably requested by the Buyer from time to time to ensure the security of the Buyer cardholder data environment.
- 13.9 The Supplier shall:
- 13.9.1 perform all such Security Tests as are required in accordance with good industry practice; and,
- 13.9.2 permit Security Testers to perform Security Tests of the Systems, and procure the consent of all necessary third parties to enable such Security Tests to lawfully take place. Such Security Tests shall be performed in accordance with the letter of authorisation issued by the Buyer to the Supplier prior to the Security Test.

- 13.10 If the Buyer considers that any control identified or tested during a Security Test:
- 13.10.1 is insufficient to ensure the confidentiality, security, integrity or availability of any Service Beneficiary's Confidential Information;
  - 13.10.2 fails to meet the requirements of any Law and/or Regulator; and/or,
  - 13.10.3 fails to meet any industry standards relating to data or information security,  
then the Supplier shall promptly implement such additional information security requirements as the Buyer requires to remedy the insufficiency and/or failure.
- 13.11 On expiry or termination of this Agreement for whatever reason, the Supplier shall immediately:
- 13.11.1 cease to process or otherwise use any Service Beneficiary's Confidential Information unless otherwise necessary for the continuing performance of the Supplier's obligations under this Agreement (and in such case the Supplier may only continue to process or otherwise use that Service Beneficiary's Confidential Information to the extent and for the period necessary to perform its continuing obligations under this Agreement);
  - 13.11.2 at the request of the Buyer return, or fully, securely and permanently erase or destroy all Service Beneficiary's Confidential Information in its possession or control (and in the case of Service Beneficiary's Confidential Information in the possession or control of Subcontractors, shall procure the return, erasure and/or destruction of such items), save that the Supplier is permitted to retain one (1) copy of such part of the Service Beneficiary's Confidential Information as is necessary for the purposes of compliance with, and for so long as required by, any Law or the Supplier's reasonable and legitimate internal compliance requirements. The Supplier shall further ensure that any return, erasure or destruction under this Clause 13.11.2 shall comply with the Minimum IS Requirements; and,
  - 13.11.3 cease all use of any physical or logical access rights granted to it by a Service Beneficiary under or in connection with this Agreement.
- 13.12 The Supplier shall indemnify the Service Beneficiaries and keep them indemnified at all times against all Losses arising out of the Supplier's failure to comply with this Clause 13 (Information Security).

#### **14. DATA PROTECTION**

- 14.1 If the Buyer or any other member of Direct Line Group passes to the Supplier, or otherwise gives the Supplier access to Personal Data, the parties shall each Process the Personal Data. The parties acknowledge that the factual arrangement between them dictates the role of each party in respect of the Data Protection Laws. Notwithstanding the foregoing, the parties anticipate that, in respect of the Personal Data, as between the Buyer and the Supplier for the purposes of this Agreement, the Buyer is deemed to be the Controller and the Supplier is deemed to be the Processor. Nothing within this Agreement relieves the Supplier of its own direct responsibilities and liabilities under the UK GDPR.
- 14.2 Each party shall make due notification to any relevant Regulator. The Supplier undertakes to the Buyer that it will take all necessary steps to ensure that it operates at all times in accordance with the requirements of the Data Protection Laws and the Supplier will, at its own expense, assist the Buyer in discharging its obligations under the Data Protection Laws (as more particularly detailed in this Clause 14). The Supplier shall not, whether by act or omission, cause the Buyer to breach any of its obligations under the Data Protection Laws.
- 14.3 The Personal Data shall be the Confidential Information of the Buyer and shall be protected by Clause 15, save that Sub-Clauses 15.2.1 to 15.2.3 (inclusive) shall not apply to the Personal Data. The Supplier shall not disclose the Personal Data to any third party (other than subcontractors appointed in accordance with Clause 14.5) without the prior written consent of the Buyer, save in relation to requests for cooperation under article 31 of the UK GDPR or Third Party Requests where the Supplier is prohibited by UK law or regulation from notifying the Buyer, in which case it shall use reasonable endeavours to advise the Buyer in advance of such disclosure and in any event as soon as practicable thereafter.
- 14.4 To the extent that the Supplier or any subcontractor Processes any Personal Data (as a Processor) on behalf of the Buyer or any member of the Direct Line Group (each as a Controller) the Supplier shall (and shall procure that the subcontractor shall):
- 14.4.1 only Process the Personal Data in accordance with this Agreement and any instructions of the Buyer unless required to do so by any applicable law;
  - 14.4.2 unless prohibited by law, notify the Buyer immediately (and in any event within 24 hours of becoming aware of the same) if it considers, in its opinion (acting reasonably) that it is required by any applicable law to act other than in accordance with the instructions of the Buyer, including where it believes that any of the Buyer's instructions under Clause 14.4.1 infringes any of the Data Protection Laws. Without prejudice to the foregoing, where the Supplier is required by any applicable law to Process the Personal Data other than in accordance with the instructions given by the Supplier must, unless prohibited by any applicable law, notify the Buyer of such requirements prior to the relevant Processing taking place;
  - 14.4.3 take, implement and maintain appropriate technical and organisational security measures which are sufficient to comply with at least the obligations imposed on the Buyer by the Security Requirements (which shall, at a minimum, include the Minimum IS Requirements). In the event that the Supplier becomes aware of any conflict or inconsistency between this Clause 14.4.3 and the Minimum IS Requirements, the Supplier shall immediately notify the Buyer of such conflict or inconsistency and the Supplier shall comply with this Clause 14.4.3;
  - 14.4.4 permit the Buyer to audit the Supplier's compliance with the requirements of this Clause 14.4 and article 28 of the UK GDPR, in accordance with the provisions of Clause 21 and shall allow for and contribute to audits, including inspections, conducted by the Buyer or another auditor mandated by the Buyer in respect of such

compliance;

14.4.5 not transfer any such Personal Data to any location or territory outside the UK except with the prior written consent of the Buyer and in accordance with any terms the Buyer may impose on such transfer as the Buyer deems necessary to satisfy the International Transfer Requirements (including, without limitation, requiring the Supplier to enter into and execute, or at the request of the Buyer procure that a subcontractor enters into and executes, the form of Clauses contained in the International Data Transfer Agreement issued by the ICO under section 119A of the Data Protection Act;

14.4.6 without prejudice to the generality of Clause 12, take all reasonable steps to ensure the reliability and integrity of any of its personnel (including its authorised subcontractors' personnel) who have access to the Personal Data by ensuring that each member of its personnel:

- a. shall have undergone reasonable levels of training on the Data Protection Laws and in the care and handling of Personal Data; and,
- b. shall have entered into appropriate contractually binding confidentiality undertakings and comply with the obligations set out in this Clause 14.

and the Supplier shall ensure that only such personnel required by it to assist it in meeting its obligations under this Agreement shall have access to such Personal Data, and no other personnel shall have access to such Personal Data;

14.4.7 without limitation or prejudice to the generality of Clause 14.5, inform the Buyer promptly and in any event within 24 hours in the event that the Supplier (or its subcontractor) fails to comply with this Clause 14, and within 48 hours in the event that the Supplier receives a Data Subject Request or Regulator Correspondence, and shall:

- a. not disclose any Personal Data in response to any Data Subject Requests or Regulator Correspondence without first consulting with, and obtaining the consent of, the Buyer; and,
- b. provide the Buyer with all reasonable co-operation and assistance required by the Buyer in relation to any such Data Subject Request or Regulator Correspondence.

14.4.8 comply with the obligations imposed upon a Processor under the Data Protection Laws; and,

14.4.9 assist the Buyer to comply with the obligations imposed on the Buyer by the Data Protection Laws, including:

- a. compliance with the Security Requirements;
- b. obligations relating to notifications required by the Data Protection Laws to the ICO and/ or any relevant Data Subjects; and,
- c. undertaking any Data Protection Impact Assessments (and, where required by the Data Protection Laws, consulting with the ICO in respect of any such Data Protection Impact Assessments).

14.5 The Supplier shall not appoint any subcontractor to process any Personal Data on behalf of the Buyer unless and until the Supplier has:

14.5.1 provided the Buyer with full details of the proposed subcontractor (including the results of the due diligence undertaken in accordance with Clause 14.5.2 before its appointment);

14.5.2 undertaken thorough due diligence on the proposed subcontractor, including a risk assessment of the information governance-related practices and processes of the proposed subcontractor, which shall be used by the Supplier to inform any decision on appointing the proposed subcontractor;

14.5.3 obtained the Buyer's prior written consent to the appointment of the proposed subcontractor,

if a subcontractor is appointed by the Supplier in accordance with this Clause 14.5, the Supplier shall ensure that such subcontractor is bound by the terms of a contract that imposes on the subcontractor the same data protection obligations as those set out in this Clause 14. Where the subcontractor fails to fulfil its data protection obligations or information security obligations, the Supplier shall remain fully liable to the Buyer for the performance of the subcontractor's obligations.

14.6 The Supplier shall on demand, at all times during and after the Term, indemnify each member of the Direct Line Group and keep each member of the Direct Line Group indemnified and held harmless from and against:

14.6.1 except to the extent covered by Clauses 14.6.2 or 14.6.3, any Loss suffered or incurred by, awarded against or agreed to be paid by the relevant member of the Direct Line Group to the extent arising from the Supplier's failure to comply with Clause 13 or this Clause 14;

14.6.2 any fines levied by any relevant Regulator on the relevant member of the Direct Line Group, or the costs of an investigative, corrective or compensatory action required by any relevant Regulator, or of defending a claim made by any relevant Regulator, where those fines, costs or claims have arisen as a result of a breach of Clause 13 or this Clause 14 by the Supplier or its subcontractors; and,

14.6.3 any Loss suffered or incurred by, awarded against or agreed to be paid by the relevant member of the Direct Line Group pursuant to a claim, action or challenge made by a third party against that member (including by a Data Subject) as a result of the Supplier's failure to comply with Clause 13 or this Clause 14.

14.7 With the exception of Personal Data in relation to which the Buyer is a Controller and which was provided to the Supplier pursuant to this Agreement, the Supplier agrees not to provide the Buyer with any other Personal Data without first notifying the Buyer and the Parties signing separate written terms in relation thereof.

14.8 Without prejudice to Clause 23.6, upon the cessation of the services or the termination of this Agreement, for whatever reason, Supplier will at the choice of the Buyer delete or return all existing copies of the Buyer's Personal Data under this Agreement to the Buyer, unless the Data Protection or other relevant laws require storage of the personal data. To the extent necessary to give it effect and without prejudice to the generality of Clause 23.6, this Clause will survive the termination, for whatever reason, of the Agreement.

14.9 In the course of providing the goods and/or services, the Buyer may Process Personal Data relating to the customers or personnel of the Direct Line Group. The Buyer shall only Process such Personal Data for the duration of the supply of such goods and/or services.

## **15. CONFIDENTIALITY**

15.1 The Buyer and the Supplier shall keep confidential all information of the other obtained under or in connection with the Agreement which is known to be confidential or which by its nature would generally be regarded as confidential, shall not divulge the same to any third party without the prior written consent of the other party and will only use such information for the purpose of performing the Agreement or using the Deliverables.

15.2 The following is not Confidential Information and is not subject to the restrictions set out above:

15.2.1 information which is or becomes publicly available unless as a result of breach of the Agreement;

15.2.2 information received from a third party unless the receiving party knew it was Confidential Information of the other party;

15.2.3 information which the receiving party already knew and which is not subject to a separate obligation of confidentiality to the other party; and,

15.2.4 information independently developed or acquired by the receiving party without use of information of the other party.

15.3 Confidential information of Direct Line Group shall be treated by the Supplier as Confidential Information of the Buyer.

15.4 The terms of this Clause 15 are in addition to any other duties of confidentiality between the parties.

15.5 The Buyer may disclose Confidential Information of the Supplier to other members of Direct Line Group but, if it does so, the Buyer shall be responsible for ensuring that such other members comply with obligations of confidentiality and restricted use equivalent to those set out in this Clause 15.

15.6 Nothing in this Clause 15 shall prevent either party from disclosing any information where required by law or where required by any stock exchange or regulatory authority to which it is subject or in respect of the Buyer, to a prospective purchaser of shares in or the assets of any member or members of Direct Line Group provided that, prior to any such disclosure, any such prospective purchaser had agreed in writing to be bound by duties of confidentiality in respect of any information disclosed to it.

## **16. BUSINESS CONTINUITY**

16.1 The Supplier will ensure that at all times it has in place an appropriate business continuity and disaster recovery plan for its business which will ensure that it can supply the Deliverables in accordance with the Agreement. If requested, the Supplier will promptly provide the Buyer with a copy of such plan.

16.2 The purpose of the Business and IT Service Continuity and Recovery Plans is to ensure that, during and after a Disruption: (a) the business operations of the Supplier are maintained; (b) the Buyer and the other Service Beneficiaries can continue to receive the full benefit of this Agreement; (c) any adverse impact on the standard of the services is prevented; (d) there is no loss of data or Confidential Information and the integrity of all data and Confidential Information is preserved; and, (e) the supply of the Deliverable in accordance with this Agreement is recommenced as soon as possible. The Supplier shall ensure that the Business and IT Service Continuity and Recovery Plans achieve these purposes.

16.3 The Supplier shall:

16.3.1 conduct a business impact analysis to identify, analyse and evaluate the potential impacts of reasonably foreseeable Disruptions and risks to its critical business functions, operations and processes, and develop appropriate strategies and mitigation plans to minimise the impact of Disruption to the provision of Deliverables and the performance of this Agreement;

16.3.2 ensure that it has Business and IT Service Continuity and Recovery Plans that accord with Good Industry Practice and the requirements of this Agreement in place at all times during the Term (including any exit assistance period);

16.3.3 continually review and update the Business and IT Service Continuity and Recovery Plans to ensure its procedures are accurate, effective and appropriate for minimising any disruption to the supply of the Deliverables;

16.3.4 ensure that any change to the Business and IT Service Continuity and Recovery Plans provide at least the same level and standard of business continuity and IT service continuity as the then prevailing Business and IT Service Continuity and Recovery Plans;

16.3.5 test the Business and IT Service Continuity and Recovery Plans at least annually throughout the Term. Following each test, the Supplier shall: (a) send the Buyer a written report summarising the results, including the scope, success criteria, result, test date, location and the 'Recovery Time Objective' ("RTO") and 'Recovery Point Objective' ("RPO") achieved (RTO and RPO as defined in the table at the end of this Clause 16); and, (b) promptly implement any actions or remedial measures which it and/or the Buyer reasonably

- considers to be necessary to address any failures or shortfalls identified by the test;
- 16.3.6 on request by the Buyer: (a) provide the Buyer with a copy of its Business and IT Service Continuity and Recovery Plans; and, (b) explain to the Buyer how the features set out in its Business and IT Service Continuity and Recovery Plans interface with any Business and IT Service Continuity and Recovery Plan(s) and procedures of the Buyer; (c) provide the Buyer with reasonable support and co-operation in respect of the Buyer's business and IT service continuity and recovery plans; and,
- 16.3.7 ensure that it is able to implement the provisions of the Business and IT Service Continuity and Recovery Plans at any time in accordance with their terms.
- 16.4 The Supplier shall ensure that the Business and IT Service Continuity and Recovery Plans include:
- 16.4.1 details of how the Supplier will identify and respond to Disruptions, including the loss of third party provided services and: (a) in the case of the business services continuity and recovery plan, loss/unavailability of facility, Staff and critical national infrastructure; and, (b) in the case of the IT service continuity and recovery plan, cyber-attacks and loss/unavailability of technology;
- 16.4.2 invocation rules and procedures;
- 16.4.3 details of how the Supplier will execute the Business and IT Service Continuity and Recovery Plans, including: (a) in the case of the business services continuity and recovery plan, alternative business processes, options and responsibilities; and, (b) in the case of the IT service continuity and recovery plan, IT recovery strategy, IT backup and restore strategy, detailed IT recovery steps, RTO, RPO, IT test plan, IT third party dependencies, and the rules and procedures for data storage, back-up, availability, and verification;
- 16.4.4 details of how the invocation of any element of the Business and IT Service Continuity and Recovery Plans may impact on the supply of the Deliverables and a full analysis of the risks to the operation of the Agreement;
- 16.4.5 the communication strategy;
- 16.4.6 key contact details, including roles and responsibilities; and,
- 16.4.7 procedures for reverting to normal service and steps to address any prevailing effects of Disruption.
- 16.5 In the event of a Disruption, the Supplier shall: (a) implement its Business and IT Service Continuity and Recovery Plans without delay; (b) notify the Buyer of the Disruption within one (1) hour of becoming aware of it; (c) at the frequency requested by the Buyer, update the Buyer on the status of the Disruption, the impact on the Supplier's supply of Deliverables and other obligations under this Agreement, the actions taken by the Supplier, the next steps, and the expected timescales to resolution; and, (d) not place the Buyer lower in priority than any other impacted customer.

## **17. LIMITATION OF LIABILITY AND INSURANCE**

- 17.1 Neither party will be liable to the other under or in connection with the Agreement for any indirect or consequential loss or damage whether caused by breach of contract, negligence or breach of statutory or any other duty.
- 17.2 Neither party will in any event be liable to the other under or in connection with the Agreement for any loss or damages in excess of (a) £5,000,000 Sterling in respect of damage to Direct Line Group's tangible property, and (b) 150% of the price payable for the Deliverables or £1,000,000 Sterling, whichever is the higher, for any other loss or damage, in each case per event or series of connected events and whether caused by breach of contract, negligence or breach of statutory or any other duty.
- 17.3 In the event of breach by the Supplier of Clause 13, 14 or 15 the following shall be considered as direct losses flowing from that breach:
- 17.3.1 additional management costs incurred by Direct Line Group as a result of that breach of the Agreement by the Supplier; and,
- 17.3.2 any fine or penalty paid or incurred by a member of Direct Line Group arising from a breach of any law, regulation or rule that has been caused by or arisen out of that breach of the Agreement by the Supplier.
- 17.4 The foregoing limits and exclusions of liability shall not apply to any loss arising in respect of the death or personal injury of any person, loss caused by fraud, any other loss which by law cannot be excluded or limited or to any liability of the Supplier arising under Clauses 13, 14, 15, 19 or 27.
- 17.5 The Supplier shall maintain insurances with a reputable insurance company covering liabilities under or in connection with the Agreement. The Supplier shall upon request from the Buyer from time to time produce certification from its insurance brokers that such insurance is in force and provide information on limits, renewal dates, coverage extensions and exclusions. The Supplier will, if requested by the Buyer, add the Buyer as an 'additional insured under the Supplier's insurance policies.

## **18. INTELLECTUAL PROPERTY RIGHTS**

- 18.1 Where the Buyer has funded the development of the whole or part of the Deliverables, all Intellectual Property Rights in the developed work shall vest in the Buyer. The Supplier hereby assigns to the Buyer its whole right, title and interest, present and future in and to such Intellectual Property Rights and shall ensure the assignation/assignment to the Buyer of all such Intellectual Property Rights by any party employed or otherwise engaged by the Supplier who may acquire any such rights by operation of law or otherwise.
- 18.2 The Supplier shall (at the Buyer's request and expense) do and execute all necessary acts, deeds, documents and things for effectively vesting such rights in the Buyer, shall (at the Buyer's request and expense) provide the Buyer with

all reasonable assistance required to vest the same in the Buyer in any part of the world and shall promptly provide the Buyer with all information relating to the Deliverables which the Buyer may reasonably request for the purpose of allowing the Buyer to fully exercise its proprietary rights.

- 18.3 Subject to Clauses 18.1 and 18.2, nothing in the Agreement shall operate to transfer any Intellectual Property Rights from one party to the other.
- 18.4 The Buyer shall retain title to and all Intellectual Property Rights in any designs, drawings, specifications, samples or other materials provided by the Buyer to the Supplier for use in the supply of the Deliverables. The Supplier shall keep such items secure and shall return them to the Buyer on demand. Such items shall be at the Supplier's risk while in its possession and control. The Supplier may use such items only for the purpose of performing the Agreement.

## **19. IPR INDEMNITY**

- 19.1 The Supplier warrants that it is entitled to supply the Deliverables in accordance with the Agreement and the Deliverables shall not infringe the Intellectual Property Rights or other rights of any third party. The Supplier will fully indemnify the Buyer and the other members of Direct Line Group against any Loss which the Buyer and the members of Direct Line Group may incur as a result of any claim that the possession or use of any part of the Deliverables infringes the Intellectual Property Rights or other rights of any third party.
- 19.2 Without limiting the Supplier's obligations under Clause 19.1, in the event of such a claim being made the Supplier shall, if requested by the Buyer:
- 19.2.1 obtain for Direct Line Group the right to continue using the Deliverables;
- 19.2.2 replace or modify the Deliverables with non-infringing goods, software, data or services of equivalent or improved specifications; or,
- 19.2.3 accept the return of the Deliverables and reimburse the Buyer with all charges paid less a reasonable and proportionate amount to reflect use of the Deliverables prior to their return.
- 19.3 The exclusions and limitations of liability stated elsewhere in the Agreement shall not apply to any liability of the Supplier under or for breach of this Clause 19.

## **20. DIRECT LINE GROUP**

- 20.1 The Supplier agrees that all other members of Direct Line Group will have the same rights as the Buyer under the Agreement and that the Supplier owes the same duties and obligations to the other members of Direct Line Group as it owes to the Buyer.
- 20.2 In the event of any negligence or breach of the Agreement by the Supplier which results in any loss, damage, costs or expense ("**Loss**") being suffered by a member of Direct Line Group that Loss will be treated as if it had been suffered by the Buyer.
- 20.3 The Buyer will be able to recover any Loss from the Supplier subject to any limits on the Supplier's liability contained in the Agreement. For this purpose, any Loss suffered by members of Direct Line Group (other than the Buyer) will not be treated as being indirect or consequential in terms of Clause 17 simply because it has been suffered by members of Direct Line Group and not by the Buyer directly.
- 20.4 The limitations of liability in the Agreement will apply to Direct Line Group as a whole so that they apply to all liabilities incurred under or in connection with the Agreement:
- 20.4.1 by the Supplier to Direct Line Group in aggregate; and,
- 20.4.2 by Direct Line Group in aggregate to the Supplier.
- 20.5 If and to the extent that the Buyer is unable to recover Loss suffered by other members of Direct Line Group under Clause 20.3, each member will be entitled to recover such Loss directly from the Supplier and to enforce the Agreement against the Supplier for this purpose under the Contracts (Rights of Third Parties) Act 1999 made pursuant to English law (regardless of the governing law of the Agreement). However, the Buyer and the Supplier may withdraw from or vary the Agreement or terminate it in accordance with its terms without the agreement of any other member of Direct Line Group.
- 20.6 The Supplier acknowledges that the provisions of this Clause 20 have been notified to the other members of Direct Line Group.

## **21. INSPECTION, TESTING AND INFORMATION**

- 21.1 Subject to giving the Supplier not less than 7 days prior notice (except where the requirements of a Regulator do not permit it), the Buyer or its agents shall be entitled access to the Supplier's and its subcontractors premises to inspect the Supplier's procedures and work relating to the Deliverables and all files, correspondence, documents or information and other things relating to the supply of the Deliverables and to audit the Supplier's compliance with the terms of this Agreement. Such inspection and observation shall occur during normal working hours and during other hours that are reasonable under the circumstances. The Buyer shall conduct such inspections so as to avoid any undue disruption to the Supplier's operations. Following any such visit the Supplier shall give due consideration to such recommendations as the Buyer may reasonably make.
- 21.2 The Supplier will promptly provide the Buyer with any information which the Buyer reasonably requests relating to the Deliverables including any information which the Buyer may require to enable it to comply with any legislative or regulatory requirement.
- 21.3 The Supplier shall not, directly or indirectly, reward or offer to reward any employee or agent of the Buyer or Direct Line

Group for the Buyer entering into the Agreement or doing or refraining from doing anything in connection with the Agreement. If requested, the Supplier will promptly provide the Buyer's representatives with access to the Supplier's records to verify that the Supplier has complied with this undertaking.

## **22. CHANGE CONTROL**

- 22.1 The Buyer may at any time order an addition to, omission from, or other changes to the Deliverables, the date of delivery, the programme of execution of the Deliverables or the Agreement. Any associated changes in, or additions to the charges set out in the Agreement shall be valued on a fair and reasonable basis to be agreed by the Buyer and the Supplier.

## **23. TERMINATION**

- 23.1 The Buyer may terminate the Agreement forthwith on written notice if the Supplier is in breach of any of its terms and, in the event of a breach capable of being remedied, fails to remedy the breach within 14 days (or such longer period as the Buyer may specify) of receipt of written request from the Buyer.
- 23.2 The Buyer may terminate the Agreement forthwith if there is a direct or indirect change of control of the Supplier or the whole or a substantial part of the business or assets of the Supplier are disposed of.
- 23.3 The Buyer may terminate the Agreement without cause on giving the Supplier 7 days written notice. In this event, the Buyer will pay the Supplier any costs necessarily and reasonably incurred by the Supplier in the performance of the Agreement up until the time of termination which it cannot recover by other means, such as re-using or re-selling parts of the Deliverables, provided that the Supplier can demonstrate that it has used all reasonable endeavours to minimise these costs. The Buyer shall have no further liability to the Supplier and, without limitation of the foregoing, the Buyer will not be liable to the Supplier for any loss of revenue or loss of profits as a result of such termination.
- 23.4 Either party may terminate the Agreement if the other party ceases to trade or is unable to pay its debts as they fall due within Section 123 of the Insolvency Act 1986, makes an arrangement with its creditors or goes into administration, receivership, liquidation (other than as part of a solvent reorganisation), bankruptcy, judicial factor is the subject of any enforcement of security, or execution, distraint, sequestration or similar action over any of its assets by any creditor or any analogous insolvency proceedings in any jurisdiction.
- 23.5 The Buyer may terminate the Agreement in accordance with any other termination right contained in this Agreement.
- 23.6 Termination shall have no effect on the rights, liabilities and remedies of the parties which have arisen prior to termination. On termination each party shall return to the other all property and data of the other party which it holds.

## **24. FORCE MAJEURE**

- 24.1 Notwithstanding anything else contained in the Agreement neither party shall be liable for any delay in performing its obligations if such delay is caused by exceptional circumstances beyond its reasonable control. In the event of either party becoming subject to such exceptional circumstances it shall promptly notify the other party and, where possible, promptly propose and, where agreed, implement a course of action to minimise the effect of such exceptional circumstances on the performance of the Agreement. However, such exceptional circumstances will only give the Supplier a right to relief in terms of this Clause where there is no failure by the Supplier to implement the business continuity and disaster recovery plan referred to in Clause 16.

## **25. LEGAL AND REGULATORY REQUIREMENTS AND STANDARDS**

- 25.1 Where a change of law takes effect in the course of the Agreement, the Supplier will be solely responsible for meeting any additional costs involved in complying with the change of law in, or in relation to, the supply of the Deliverables.
- 25.2 The Supplier acknowledges that the Buyer and the other members of the Direct Line Group may be subject to regulation by the regulators in the countries in which they operate. These requirements include those relating to outsourcing, building operational resilience and/or the Consumer Duty. The Buyer and the other members of the Direct Line Group need to be able to comply with the requirements of those regulators and all legal requirements of the countries in which the Buyer and/or the other members of the Direct Line Group operate. The Supplier shall give the Buyer all assistance that the Buyer and the other members of the Direct Line Group reasonably require to comply with these requirements and shall at all times comply with, and do nothing to put the Buyer and/or any other members of the Direct Line Group in breach of, any requirements of a regulator.
- 25.3 The Supplier undertakes that while on Direct Line Group premises it will comply, and will ensure that its employees, agents and subcontractors comply, with all security and safety procedures which apply at Direct Line Group premises from time to time and which have been notified to the Supplier or its employees, agents and subcontractors.
- 25.4 In the event of any breach of such security or safety procedures by the Supplier or its employees, agents or subcontractors the Buyer may:
- 25.4.1 require the Supplier to immediately remove from the delivery or performance of the Deliverables any of its employees, agents and subcontractors who have breached such procedures (without affecting the Supplier's obligations to deliver or perform the Deliverables in accordance with the Agreement); and/or,
- 25.4.2 terminate the Agreement forthwith.
- 25.5 The Supplier undertakes to the Buyer that the Deliverables will be delivered or performed in accordance with; (a) all laws, regulatory requirements, regulations, bye-laws, codes of practice, British Standards and EU or international standards from time to time applicable to the delivery or performance of the Deliverables; and, (b) all policies and working procedures of Direct Line Group made known by the Buyer to the Supplier (including Direct Line Group Ethical Code for Suppliers set out on the Buyer website at <http://www.directlinegroup.com/about-the-group/corporate-governance/policies.aspx>) and any Direct Line Group Pre-Employment Screening requirements made known by the

Buyer to the Supplier.

## 26. GENERAL CONDITIONS

- 26.1 The Supplier shall not assign or transfer the Agreement or any of its rights and obligations under it whether in whole or in part without the prior written consent of the Buyer. The Buyer may assign or transfer the Agreement in whole or in part without consent.
- 26.2 No delay, neglect or forbearance on the part of either party in enforcing against the other party any term or condition of the Agreement shall either be or be deemed to be a waiver or in any way prejudice any right of that party under or in connection with the Agreement.
- 26.3 No waiver or alteration of the Agreement will be binding or effective unless in writing and signed by the duly authorised representatives of both the Supplier and the Buyer.
- 26.4 If any provision of the Agreement is determined to be unlawful and can be deleted without altering the essence of the Agreement, the unlawful provision will be severed and the remaining provisions will remain in full force and effect.
- 26.5 The Supplier shall not, without the prior written consent of the Buyer, advertise or publicly announce that it is providing goods, software, data or services to Direct Line Group.
- 26.6 The parties are independent contracting parties. Nothing in the Agreement shall be construed as creating a partnership, agency or joint venture between the parties. Neither party shall hold itself out as being entitled to bind the other party in any way or to make any representation on behalf of the other party.
- 26.7 Any provision of the Agreement which is, expressly or by implication, intended to survive termination or completion of the Agreement shall continue in full force and effect.
- 26.8 Any headings to the Clauses of the Agreement are for ease of reference only and shall not affect the interpretation or construction of the Agreement.
- 26.9 Subject to Clause 26.10 and unless expressly stated otherwise, the Agreement supersedes all prior agreements, arrangements and understandings between the parties regarding its subject matter and constitutes the entire agreement between the parties relating to its subject matter. The Agreement does not supersede any separate obligations of confidentiality between the parties unless the contrary is expressly stated elsewhere in the Agreement.
- 26.10 The parties agree that where a Purchase Order is being used just to create a billing number or to purchase Deliverables under a pre-existing agreement (such as a framework services agreement) ("**Pre-Existing Agreement**") then the Pre-Existing Agreement will form part of the Agreement and the terms and conditions of the Pre-Existing Agreement will prevail over the General Terms.
- 26.11 No provision of the Agreement shall prejudice any condition or warranty, express or implied, or any legal remedy in relation to the Deliverables by virtue of any statute or custom or any general law or local law or regulation.
- 26.12 Subcontracting
- 26.12.1 In the event of a conflict between this Clause 26.12 (Subcontracting) and any other provision of this Agreement to the extent it concerns subcontractors, this Clause 26.12 (Subcontracting) shall prevail and be applied.
- 26.12.2 Neither the Supplier nor any subcontractor may subcontract all or any of its obligations under or in connection with this Agreement without obtaining the Buyer's prior written consent.
- 26.12.3 The Supplier shall:
- 26.12.3.1 remain responsible for all acts and omissions of its subcontractors (including the acts and omissions of those employed or engaged by the subcontractors) as if they were its own. An obligation on the Supplier to do, or to refrain from doing, any act or thing shall include an obligation on the Supplier to procure that its employees, staff and agents, as well as subcontractors and the subcontractor's employees, staff and agents also do, or refrain from doing, such act or thing;
- 26.12.3.2 ensure any subcontracting does not cause or contribute to any deterioration to the standard of Deliverables, systems and controls provided under or in connection with this Agreement;
- 26.12.3.3 promptly provide the Buyer with all reasonable co-operation and available information in respect of any subcontractor(s); and,
- 26.12.3.4 on request by the Buyer acting reasonably, remove any subcontractor(s) from being involved in the provision of the Deliverables. Examples of a reasonable request include where requested by a regulator, where the subcontractor causes or contributes to a breach of this Agreement, and/or if there is a subcontractor change of control.
- 26.12.4 In respect of Key Subcontractors, the Supplier shall:
- 26.12.4.1 not terminate or materially amend the terms of the subcontract without the Buyer's prior written consent;
- 26.12.4.2 advise the Buyer in writing as soon as possible should it become aware that the Key Subcontractor will no longer provide Deliverables in respect of or in connection with this Agreement; and,
- 26.12.4.3 provide the Buyer with details of each Key Subcontractor engaged in respect of or in

connection with this Agreement both on request by the Buyer and each time any Key Subcontractor changes.

## **27. ANTI-CORRUPTION**

- 27.1 Direct Line Group has a strict anti-bribery and corruption policy. Regardless of any other provision in this Agreement, no member of the Direct Line Group shall be obliged to do or omit to do, any act which would, in its reasonable opinion, put it in breach of any Anti-Corruption Laws.
- 27.2 The Supplier represents, warrants and undertakes to the Buyer and the Direct Line Group that:
- 27.2.1 in connection with this Agreement, no improper financial or other advantage has been, shall be or is agreed to be given to any person (whether working for or engaged by Direct Line Group or any third party) by or on behalf of the Supplier or any person or entity which performs services for or on behalf of the Supplier (including Staff, Supplier agents and Supplier suppliers) (each "a **Supplier Associated Person**");
  - 27.2.2 in undertaking the activities contemplated by this Agreement, it shall comply with, and ensure that the Deliverables shall be performed in accordance with the Anti-Corruption Laws;
  - 27.2.3 it shall not do, nor omit to do, any act that causes any member of the Direct Line Group to be in breach of the Anti-Corruption Laws;
  - 27.2.4 it has in place and shall maintain adequate procedures designed to prevent it, or any Supplier Associated Person, from engaging in any activity which would constitute an offence under the Bribery Act 2010;
  - 27.2.5 it shall throughout the Term comply with the Direct Line Group Policy on anti-bribery and corruption, as amended from time to time;
  - 27.2.6 it shall provide such assistance and co-operation as the Buyer requests from time to time, including by promptly providing the Buyer with any information, documentation and/or confirmations in connection with the obligations of the Supplier pursuant to this Clause 27 (Anti-Corruption). This obligation shall continue after the expiry or termination of this Agreement;
  - 27.2.7 it shall to the extent permitted by Law immediately notify the Buyer in writing upon becoming aware that it, or a Supplier Associated Person, has committed an actual or suspected breach of this Clause 27 (Anti-Corruption) or any Anti-Corruption Law. This obligation shall continue after the expiry or termination of this Agreement; and,
  - 27.2.8 it shall ensure that any Supplier Associated Person who is performing services in connection with this Agreement complies with the terms of this Clause 27 (Anti-Corruption). The Supplier shall be responsible for ensuring that terms equivalent to this Clause 27 (Anti-Corruption) are included in a written agreement with such Supplier Associated Person.
- 27.3 On written notice to the Supplier, the Buyer may immediately (or on such other time specified by the Buyer) suspend and/or terminate this Agreement for material breach if: (a) the Supplier or any Supplier Associated Person fails to comply with any of the Anti-Corruption Laws or is in material breach of this Clause 27 (Anti-Corruption); or, (b) the Buyer has reasonable suspicion that an occurrence as specified in (a) above has occurred.

## **28 ANTI-FRAUD**

- 28.1 Regardless of any other provision in this Agreement, no member of the Direct Line Group shall be obliged to do or omit to do any act which would, in its reasonable opinion, put it in breach of any Anti-Fraud Laws.
- 28.2 The Supplier represents, warrants and undertakes to the Buyer and the Direct Line Group that:
- 28.2.1 in undertaking the activities contemplated by this Agreement, it shall comply with, and ensure that the Deliverables shall be performed in accordance with the Anti-Fraud Laws;
  - 28.2.2 in connection with this Agreement, neither it, nor any Supplier Associated Person, has dishonestly: (a) made any false representations to the Buyer, Direct Line Group or any third party; (b) withheld any information from the Buyer, Direct Line Group or any third party; (c) abused its position with respect to the financial interests of another person; or, (d) destroyed, defaced, concealed or falsified any document or record, with the intention of making a gain for itself, the Supplier, the Buyer or any member of the Direct Line Group or causing a loss to any person or entity;
  - 28.2.3 it shall not do, nor omit to do, any act that causes any member of the Direct Line Group to be in breach of the Anti-Fraud Laws;
  - 28.2.4 it has in place and shall maintain reasonable procedures, in compliance with the guidance (as in place and amended from time to time) issued by the Secretary of State in accordance with s.204 of ECCTA designed to prevent it, or any Supplier Associated Person, from engaging in any activity which would constitute an offence under the Anti-Fraud Laws;
  - 28.2.5 it shall throughout the Term comply with the Direct Line Group Policy on anti-fraud, as amended from time to time;
  - 28.2.6 it shall provide such assistance and co-operation as the Buyer requests from time to time, including by promptly providing the Buyer with any information, documentation and/or confirmations in connection with the obligations of the Supplier pursuant to this Clause 28 (Anti-Fraud). This obligation shall continue after the expiry or termination of this Agreement;
  - 28.2.7 it shall to the extent permitted by Law immediately notify the Buyer in writing upon becoming aware that it,

or a Supplier Associated Person, has committed an actual or suspected breach of this Clause 28 (Anti-Fraud) or any Anti-Fraud Law. This obligation shall continue after the expiry or termination of this Agreement; and,

28.2.8 it shall ensure that any Supplier Associated Person who is performing services in connection with this Agreement complies with the terms of this Clause 28 (Anti-Fraud). The Supplier shall be responsible for ensuring that terms equivalent to this Clause 28 (Anti-Fraud) are included in a written agreement with such Supplier Associated Person.

28.3 On written notice to the Supplier, the Buyer may immediately (or on such other time specified by the Buyer) suspend and/or terminate this Agreement for material breach if: (a) the Supplier or any Supplier Associated Person fails to comply with any of the Anti-Fraud Laws or is in material breach of this Clause 28 (Anti-Fraud); or, (b) the Buyer has reasonable suspicion that an occurrence as specified in (a) above has occurred.

## 29 GOVERNING LAW & DISPUTE RESOLUTION

29.1 Save as set out in the International Terms, the Agreement and any non-contractual obligation arising out of or in connection with the Agreement shall be governed by and construed in accordance with the laws of the country within which the Buyer's registered office is located and the courts of that country will have authority to settle any dispute in relation to it. Any member of Direct Line Group will be free to take action against the Supplier in the courts of that country or in the courts of any other country which has authority to settle any dispute. The Supplier will only take court action against the Buyer in the courts of the country within which the Buyer's registered office is located. If any dispute arises between the parties relating to the Agreement the parties will first attempt for a reasonable period to resolve it amicably and may by agreement refer the dispute to mediation or to an expert or arbitrator to determine.

## 30 INTERNATIONAL TERMS

30.1 **Northern Ireland.** If the Purchase Order states that the Deliverables are to be supplied in Northern Ireland, the following provisions shall apply:

30.1.1 reference to the "Companies Act 2006 (as amended)" shall be replaced with "Companies (Northern Ireland) Order 1986 (as amended)";

30.1.2 reference to "British" at Clause 10.1.9 shall be replaced with "Northern Irish";

30.1.3 reference to "UK" at Clause 10.1.10 shall be replaced with "Northern Irish";

30.1.4 reference to "British" at Clause 11.1 shall be replaced with "Northern Irish"; and,

30.1.5 the words ", judicial factory" at Clause 23.4 shall be deleted;

30.2 **Republic of Ireland.** If the Purchase Order states that the Deliverables are to be supplied in the Republic of Ireland, the following provisions shall apply:

30.2.1 reference to the "Companies Act 2006 (as amended)" shall be replaced with "Companies Act 1963 (as amended)";

30.2.2 reference to "British" at Clause 10.1.9 shall be replaced with "Republic of Ireland";

30.2.3 reference to "UK" at Clause 10.1.10 shall be replaced with "Republic of Ireland";

30.2.4 reference to "British" at Clause 11.1 shall be replaced with "Republic of Ireland";

30.2.5 "judicial factory" at Clause 23.4 shall be deleted;

30.2.6 reference to the "Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended or replaced)" shall be replaced with "European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003 (as amended or replaced)"; and,

30.2.7 although the Agreement is governed by the laws of the Republic of Ireland, English law will apply to the extent needed to give effect to the rights of Direct Line Group set out in the General Terms. The Contracts (Rights of Third Parties) Act 1999 made pursuant to English law shall apply to the extent necessary to give effect to each Clause which makes reference to Direct Line Group in the General Terms.

## 31 ORDER OF PRECEDENCE

31.1 In the event of any conflict or inconsistency between them, the following parts of the Agreement shall take precedence in the following order:

31.1.1 Any pre-existing agreement;

31.1.2 the Purchase Order;

31.1.3 the Special Terms;

31.1.4 the International Terms;

31.1.5 the Specification; then,

31.1.6 the General Terms.