

DIRECT LINE GROUP STANDARD CONDITIONS OF PURCHASE

1. Definitions

1.1 The expressions which follow are given these meanings:

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

“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;

“Applicable EU Law” means any law of the European Union (or the law of one of the Member States of the European Union);

“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;

“Controller”, **“Data Subject”**, **“Personal Data”**, **“Personal Data Breach”**, **“Processing”**, and **“Processor”** shall have the same meanings as are assigned to those terms in the GDPR (whereby **“Process”** and **“Processed”** shall be construed accordingly; any references to **“Personal Data”** shall include a reference to **“Sensitive Personal Data”**; and **“Personal Data Breach”** shall include a breach of Clause 14.4;

“Confidential Information” means information in any form (whether written, electronic, graphic, oral or otherwise) that is designated as 'confidential' or which by its nature, or the circumstances in which it is divulged, is clearly confidential. Confidential Information includes any information concerning the technology, technical processes, business processes, procedures (including security procedures), Personal Data, business affairs and financial affairs of either party (including in the case of DLIS, the Direct Line Group, employees and suppliers) and any complaint relating to this Agreement.

“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 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 Act and the GDPR (on and from 25 May 2018), 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 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;

"Environmental Protection Initiatives" means the RoHS Legislation and WEEE Legislation;

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

"GDPR" means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and repealing Directive 95/46/EC (General Data Protection Regulation) OJ L 119/1, 4.5.2016 and the Act;

"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 29 of these General Terms;

"International Transfer Requirements" means the requirement to ensure that transfers of

personal data outside of the EEA have adequate protections in place, as set out in the Data Protection Laws;

“**Loss**” has the meaning set out in Clause 20;

“**Minimum IS Requirements**” means Direct Line Group's minimum information security requirements for the protection of confidential information and Personal Data, as notified 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 Payment Card Industry (PCI) Data Security Standard (DSS) version 2.0, its supporting documentation and any subsequent version(s) of said standard published by the PCI Security Standards Council or its successor(s);

“**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;

“**QSA**” means a qualified security assessor certified by the PCI Security Standards Council as being qualified to validate compliance with the PCI DSS;

“**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;

“**RoHS Legislation**” means the Directive on the Restriction of Use of Certain Hazardous Substances in Electrical and Electronic Equipment (2002/95/EC) and applicable national implementing legislation;

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

“**Security Tests**” means test procedures including (without limitation) tests of IT general controls, tests of IT application controls, penetration tests, code analysis, compliance scans and vulnerability scans, and “Security Testing” shall be construed accordingly;

“**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 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,

“WEEE Legislation” means the Directive on Waste Electrical and Electronic Equipment (2002/96/EC) and applicable national implementing legislation.

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.

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 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 and shall meet the Buyer's specified or reasonable requirements;
 - 10.1.2 the Deliverables shall be free from defects in design, workmanship or materials, shall be of satisfactory quality and fit for the Buyer's purpose;
 - 10.1.3 any software within the Deliverables will be fit for its intended purpose and will not contain any viruses or locking or destructive mechanisms;
 - 10.1.4 any data within the Deliverables will be accurate;
 - 10.1.5 all services within the Deliverables will be performed with reasonable skill, care and diligence;
 - 10.1.6 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,
 - 10.1.7 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 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 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 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 Where the Buyer allows the Supplier to have access to any data or computing systems of Direct Line Group, the Supplier will access them only for purposes expressly authorised by the Buyer in writing and will ensure that such access can only be used by authorised personnel of the Supplier. The Supplier will comply with the security policies and procedures of Direct Line Group notified to the Supplier. The Supplier will also implement and operate up to date anti-virus software on all of its computing systems which may be linked, directly or indirectly, to the computing systems of Direct Line Group.
- 13.2 The Supplier will identify and protect at all times the confidentiality, integrity and availability of the Direct Line Group confidential information and Personal Data it obtains under this Agreement.
- 13.3 The Supplier will operate at all times in accordance with the Minimum IS Requirements and Good Industry Practice. If requested, the Supplier will explain to the Buyer how the Supplier will comply with the information security requirements of the Buyer as notified to the Supplier from time to time.
- 13.4 The Supplier will demonstrate its compliance with the Minimum IS Requirements to the Buyer upon reasonable notice at any time, provided that the Buyer will not require the Supplier to demonstrate its compliance more than once in every 12 month period unless the Buyer has reasonable grounds for suspecting that; (a) the Supplier has failed to operate in accordance with the Minimum IS Requirements; or, (b) there has been an information security incident (as set out in Clause 13.5) affecting the Supplier. If the Buyer considers (on reasonable grounds) that the Supplier is failing to comply with the Minimum IS Requirements or failing to ensure the confidentiality and security of confidential information or Personal Data or fails to meet the requirements of any Regulator or industry standards relating to data or information security then the Buyer may require the Supplier to implement additional information security requirements to cure such insufficiency or failure and the Supplier will promptly implement what the Buyer requires.
- 13.5 Upon and in any case within 24 hours of becoming aware of:
- 13.5.1 any actual or suspected, threatened or 'near miss' incident of accidental or unlawful destruction or accidental loss, alteration, unauthorised or accidental disclosure of, or access to, the Personal Data or other Personal Data Breach in relation to the Personal Data; and/or,
 - 13.5.2 any potential or actual known breach of the Minimum IS Requirements or any obligations or duties owed by the Supplier to the Buyer relating to the confidentiality, integrity or availability of confidential information,

the Supplier shall notify the Buyer of the incident or breach (and follow-up in writing), and shall thereupon: (a) conduct, or support the Buyer in conducting, computer forensic investigations and analysis that the Buyer requires in respect of such incident or breach; (b)

implement any actions or remedial measures to restore the security of the compromised Personal Data and/or confidential information and which the Buyer considers necessary as a result of the breach; and, (c) support the Buyer to make any required notifications to any relevant Regulator and affected Data Subjects.

- 13.6 The Supplier, or any subcontractor, shall not disclose the occurrence of any actual or suspected, threatened or 'near miss' incident to any third party, including to any subcontractor, without DLIS's prior written agreement.
- 13.7 In the event that the Supplier receives any request from or is required by law, by any governmental or other regulatory authority (including any relevant securities exchange(s)) or by a court or other authority of competent jurisdiction to disclose confidential information or Personal Data of the Direct Line Group, the Supplier shall, to the extent it is legally permitted to do so, give the Buyer as much notice of such requested or required disclosure as is possible and provide the Buyer, at the Buyer's cost, with such assistance as the Buyer may request to attempt to prevent or limit such disclosure.
- 13.8 The Supplier will ensure that all confidential information and Personal Data which is no longer required is erased or destroyed so that they are not recoverable. The Supplier must also return or destroy any information processing equipment which is surplus to requirements and which has held Direct Line Group confidential information or Personal Data. The erasure and/or destruction processes must adhere to the Minimum IS Requirements.
- 13.9 The Supplier will maintain full compliance with PCI DSS at its own cost at all times where:
- 13.9.1 the Services or performance of the Supplier's obligations under this Agreement requires such compliance; or,
- 13.9.2 the Buyer determines such compliance is required and so notifies the Supplier.
- 13.10 If PCI DSS compliance is required under Clause ~~13.9~~~~13.8~~ the Supplier will evidence such compliance prior to supplying relevant Services or performing relevant obligations by:
- 13.10.1 appointing a QSA to verify its compliance to PCI DSS, as a Level 1 Service Provider as defined by the applicable payment card scheme operator, and gain a certificate of compliance from the QSA; and,
- 13.10.2 giving the Buyer a copy of the certificate.
- 13.11 The Supplier will repeat this process so as to give a further certificate of compliance no less than annually. The Supplier will give such further evidence of PCI DSS compliance to the Buyer as it reasonably requires from time to time.
- 13.12 The Supplier will indemnify the Buyer and its customers and keep them indemnified against all losses (including Loss), costs, claims, demands, expenses and liabilities of any nature arising out of the Supplier's failure to comply with PCI DSS (where required under Clause ~~13.9~~~~13.8~~) and/or any incident(s) of loss or compromise of payment account data attributable to the Supplier or its employees, agents or subcontractors.
- 13.13 Without prejudice to the rights of the Buyer pursuant to Clauses ~~13.14~~~~13.13~~ and ~~13.15~~~~13.14~~, the Supplier shall perform such Security Tests as are required in accordance with Good Industry Practice.
- 13.14 Pursuant to those rights granted to the Buyer under Clause 21, and without prejudice to the Supplier's obligations under Clause ~~13.13~~~~13.12~~, upon receiving notification from the Buyer, the Supplier will permit Security Testers, acting as agents of the Buyer, to perform Security Tests of the Systems ("**Buyer Security Tests**"). Such the Buyer Security Tests shall be performed in accordance with the letter of authorisation entered into by the Buyer and the Supplier (and the scope and liability provisions set out therein) and the task order annexed thereto

("Letter of Authorisation"). The Letter of Authorisation shall be issued by the Buyer to the Supplier and signed by each party prior to the performance of any the Buyer Security Tests. The Supplier acknowledges and agrees that where the Buyer Security Tests are performed, the Security Testers shall access the Systems and the Supplier consents to such access and shall obtain all necessary third party consents to enable such access to lawfully take place.

13.15 If the Buyer considers (acting reasonably) that controls identified or tested in the performance of the Buyer Security Tests are:

13.15.1 insufficient to ensure the confidentiality, integrity or availability of confidential information or Personal Data;

13.15.2 fail to meet the requirements of any Regulator; or,

13.15.3 fail to meet industry standards relating to data or information security,

then the Buyer may require the Supplier to cure such insufficiency or failure and the Supplier (at its own cost) shall, promptly, make those modifications required by the Buyer. Where the additional measures affect the Supplier's subcontractors, suppliers and agents, the Supplier shall procure that those measures are promptly implemented by the relevant subcontractors, suppliers and agents.

13.16 Expiry or termination of this Agreement for whatever reason the Supplier will:

13.16.1 cease to use any Direct Line Group confidential information or Personal Data and shall return on demand, or, at the request of the Buyer and in accordance with the Minimum IS Requirements, destroy or permanently erase all copies of that confidential information or Personal Data in its possession or control, save that the Supplier will be permitted to retain one copy of such part of the confidential information for the purposes of and for so long as required by any law or by judicial or administrative process or its legitimate internal compliance requirements;

13.16.2 during the return of the confidential information and Personal Data to the Buyer, make sure that the confidentiality, integrity and availability of confidential information and Personal Data is maintained; and,

13.16.3 cease all use of any physical or logical access rights granted to it by the Buyer in relation to the Services.

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 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 GDPR or Third Party Requests where the Supplier is prohibited by EU 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 Service Beneficiaries (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 Applicable EU 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 Applicable EU 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 Applicable EU Law to Process the Personal Data other than in accordance with the instructions given by the Supplier must, unless prohibited by Applicable EU 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 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 European Economic Area 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 EU Commission Decision 2010/87/EU of 5 February 2010);

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 13.5, 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.

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 arising under Clauses 13, 14, 15, or 19.

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 factory 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 Clause 27.6.
- 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 Direct Line Group is subject to regulation by the FCA and other regulators in the countries in which the members of Direct Line Group operate. The Supplier agrees that it will give Direct Line Group all assistance that it reasonably requires to comply with these requirements in connection with the supply of the Deliverables.
- 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, transfer or subcontract 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. Where the Buyer consents to subcontracting the Supplier shall remain responsible for performance of the Agreement as if it had not subcontracted and shall be responsible for the acts and omissions of its subcontractors. The Buyer may assign or transfer the Agreement 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.

27. Anti-Corruption

- 27.1 The Supplier undertakes that it will comply with the Anti-Corruption Laws.
- 27.2 The Supplier shall have in place and comply with the Supplier Anti-Bribery and Corruption Policy and carry out a review of the policy on a regular basis, promptly implementing and notifying the Buyer of any amendments which it makes. If requested, the Supplier shall provide to the Buyer a copy of the Supplier Anti-Bribery and Corruption Policy for the Buyer's review and promptly implement any amendments which the Buyer, acting reasonably, considers necessary.
- 27.3 The Supplier shall co-operate with the Buyer and promptly provide the Buyer with any information which the Buyer requires from time to time in connection with this Clause 27, including completing the Buyer Anti-Corruption Due Diligence Questionnaire and enabling the Buyer, whether itself or through an agent, to conduct an audit of records and information held by the Supplier, its subcontractors or any other relevant person. This obligation shall continue after the expiry or termination of the Agreement.
- 27.4 The Supplier shall immediately notify the Buyer in writing of any suspected or known breach of the Supplier Anti-Bribery and Corruption Policy or Anti-Corruption Laws. This obligation shall continue after the expiry or termination of the Agreement.
- 27.5 The Supplier shall ensure that any person employed by it or its subcontractors or acting on the Supplier's behalf in connection with the provision of the Deliverables complies with the terms of this Clause 27.
- 27.6 Buyer shall have the right to suspend and/or terminate the Agreement for material breach immediately, or on such other time specified by the Buyer, upon written notice to the Supplier if; (a) the Supplier, or any person employed by it or acting on its behalf fails to comply with the Anti-Corruption Laws or is in material breach of the Supplier Anti-Bribery and Corruption Policy; or, (b) the Buyer has a reasonable suspicion that an occurrence as specified in part (a) of this Clause 27.6 has occurred.
- 27.7 In the event of breach by the Supplier of this Clause 27 any exclusions or limitations of liability set out in the Agreement which would otherwise be applicable to the Supplier shall not apply to any claim or loss arising from or connected with such breach and the parties agree that the following losses shall be recoverable from the Supplier by the Buyer:
- 27.7.1 any costs or expenses (including reasonable legal fees) incurred by Direct Line Group in investigating a breach or suspected breach of this Clause 27;
 - 27.7.2 any fine or penalty paid or imposed on a member of Direct Line Group arising from a breach of this Clause 27; and,
 - 27.7.3 any other costs or expenses incurred by a member of Direct Line Group as a result of a breach of this Clause 27.

28. Governing Law & Dispute Resolution

- 28.1 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.

29. International Terms

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

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

29.1.2 reference to "British" at Clause 10.1.6 shall be replaced with "Northern Irish";

29.1.3 reference to "UK" at Clause 10.1.7 shall be replaced with "Northern Irish";

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

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

29.2 **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:

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

29.2.2 reference to "British" at Clause 10.1.6 shall be replaced with "Republic of Ireland";

29.2.3 reference to "UK" at Clause 10.1.7 shall be replaced with "Republic of Ireland";

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

29.2.5 judicial factory" at Clause 23.4 shall be deleted;

29.2.6 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)";

29.2.7 reference to the "Data Protection Act 1998" shall be replaced with the "Data Protection Act 1988"; and,

29.2.8 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.

30. Order of Precedence

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

30.1.1 Any pre-existing agreement;

30.1.2 the Purchase Order;

30.1.3 the Special Terms;

30.1.4 the International Terms;

30.1.5 the Specification; then,

30.1.6 the General Terms.