

Order Schedule 26 (Special Schedule - Sponsorship and Third Party Licensing)

1. Definitions

1.1 In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

"Buyer Marks" means the trade marks, trade names, logos or other proprietary marks of the Buyer;

"Code of Acceptance" means the Buyer's code of acceptance or policy relating to display of brands and associated advertising/sponsorship content in the Buyer's estate as set out (or referred to) in the Specification and/or in the Order Form;

"Granted Rights" has the meaning given to it in Paragraph 3.1;

"Sponsor/Third Party Licensee" means any third party with which the Supplier enters into a sponsorship and/or third party licensing agreement in connection with the Buyer's property and/or estate pursuant to the exercise of the Granted Rights in accordance with this Schedule;

"Sponsor/Third Party Licensee's Marks" means the trade marks, trade names or logos of the Sponsor/Third Party Licensee that the Sponsor/Third Party Licensee is entitled to use in connection with the sponsorship and/or third party licensing rights granted to that Sponsor/Third Party Licensee, as approved in accordance with the Schedule;

"Sponsorship/Third Party Licensing Agreement" means a sponsorship and/or third party licensing agreement entered into by the Supplier pursuant to and in accordance with Paragraph 3; and

"Sponsorship/Third Party Licensing Rights" means the particular sponsorship and/or third party licensing rights that are granted to the relevant Sponsor/Third Party Licensee under the relevant Sponsorship/Third Party Licensing Agreement.

2. Principles

- 2.1 The following principles apply to all Services and provide a clear indication of the standards to which the Supplier shall adhere to in providing the Services.
- 2.2 The Supplier will provide completely transparent services to the Buyer, and will be proactive in safeguarding that transparency. To achieve this, the Supplier must:
 - 2.2.1 ensure all agreed income is returned to the Buyer in accordance with the Order Contract;
 - 2.2.2 make all documentation produced by the Supplier in relation to the Services under the Order Contract, to include invoices and contracts, available to:
 - 2.2.2.1 the Buyer;
 - 2.2.2.2 the Buyer's Authorised Representative;
 - 2.2.2.3 the Buyer's appointed internal and external Auditors.
- 2.3 Such documents will be securely stored and shared without redaction by the recipient.
- 2.4 The Supplier will promptly disclose to the Buyer all third party interests in any investment or recommendations put forward by the Supplier.
- 2.5 The Supplier will provide an annual report on key sponsorship and/or third-party licensing partners on the organisation's estate, assets and/or IP, as required by the Buyer.

3. Services

- 3.1 The Buyer hereby grants to the Supplier the right to sell, negotiate, and enter into sponsorship and/or third-party licensing agreements related to the Buyer's property or estate as specified (and only to the extent specified) in the Specification or the Order Form (the "**Granted Rights**").
- 3.2 The Granted Rights may be granted by the Buyer on an exclusive or non-exclusive basis, as specified in the Specification or the Order Form.
- 3.3 The Granted Rights may include, but are not limited to:
 - 3.3.1 naming rights, advertising sponsorship, sponsorship promotional activities associated with relevant parts the Buyer's property or estates; and/or
 - 3.3.2 rights to install, maintain, and manage sponsorship advertising on all or part of the Buyer's estate,but the precise details of the Granted Rights will be specified in the Specification or Order Form (including, but not limited to, in terms of the particular scope and nature of the rights granted and, where applicable, the specific locations, dimensions, and types of sponsorship installations that are permitted).

3.4 The Supplier will comply with such requirements as may be set out in the Specification or the Order Form (or otherwise reasonably notified by the Buyer from time to time) in connection with the entering into of Sponsorship/Third Party Licensing Agreements, including, but not limited to, in connection with:

- 3.4.1 the types of sponsors/third party licensees that will be acceptable (or not acceptable) to the Buyer; and
- 3.4.2 the pre-agreement of template forms of Sponsorship/Third Party Licensing Agreement.

4. Sponsorship and Licensing

4.1 The Buyer, acting through the Supplier, grants to the Sponsor/Third Party Licensee a licence to:

- 4.1.1 use the Sponsor/Third Party Licensee's Marks on the Buyer's relevant property or assets as agreed with the Supplier in accordance with the Granted Rights; and
- 4.1.2 if permitted under the Granted Rights as set out in the Order Contract, advertise the Sponsor/Third Party Licensee as a sponsor/third party licensee of the Buyer on the Buyer's website,

each for the term of this Agreement and in the UK only and in accordance with the terms of the Order Contract.

4.2 All rights not expressly granted to the Supplier under the Order Contract are reserved to the Buyer. The Supplier acknowledges and agrees (on its own behalf and on behalf of each Sponsor/Third Party Licensee) that the Buyer is the owner of all rights in and to the Buyer Marks.

4.3 The Buyer (acting through the Supplier, or subject to any exclusivity commitments given by the Buyer as referred to in Paragraph 3.2, acting on its own behalf) shall be entitled to enter into any sponsorship arrangement with any third party. The Buyer agrees (on its own behalf and on behalf of each Sponsor/Third Party Licensee) that the Buyer shall not be or considered to be nor deemed to be in breach of any provision of the Order Contract as a result of entering into such arrangements.

4.4 The Supplier acknowledges and agrees (on its own behalf and on behalf each Sponsor/Third Party Licensee) that:

- 4.4.1 the Buyer acting through the Supplier may specify certain reasonable restrictions on the use of the Sponsor/Third Party Licensee's Marks for the duration of the relevant Sponsorship/Third Party Licensing Agreement; and
- 4.4.2 in entering into the Order Contract or any Sponsorship/Third Party Licensing Agreement neither the Buyer nor the Supplier shall be deemed or perceived to endorse any product, service of the Sponsor/Third Party Licensee or the Sponsor/Third Party Licensee itself.

5. Obligations of Supplier

- 5.1 The Supplier shall, in respect of each Sponsorship/Third Party Licensing Agreement:
 - 5.1.1 deliver the Sponsorship/Third Party Licensing Rights to the Sponsor/Third Party Licensee;
 - 5.1.2 use the Sponsor/Third Party Licensee's Marks in the manner and form approved by the Buyer;
 - 5.1.3 comply with all reasonable branding guidelines issued by the Sponsor/Third Party Licensee in relation to the Sponsor/Third Party Licensee's Marks from time to time;
 - 5.1.4 notify the Sponsor/Third Party Licensee of any suspected infringement of the Sponsor/Third Party Licensee's Marks, but not to take any steps or action whatsoever in relation to that suspected infringement unless requested to do so by the Sponsor/Third Party Licensee; and
 - 5.1.5 keep the Sponsor/Third Party Licensee informed as promptly as reasonably practicable with respect to any material developments or changes to the sponsorship/third party licensing arrangement that might affect the Sponsor/Third Party Licensee's enjoyment of the Sponsorship/Third Party Licensing Rights.
- 5.2 The Supplier, with assistance (where required) by the Buyer, shall use its reasonable endeavours to ensure that the Sponsor/Third Party Licensee's Marks to be delivered as part of the Sponsorship/Third Party Licensing Rights are placed properly.
- 5.3 The Supplier agrees to:
 - 5.3.1 use its best endeavours to identify and secure sponsorship and licensing agreements;
 - 5.3.2 ensure that all Sponsorship/Third Party Licensing Agreements comply with applicable Laws and regulations;
 - 5.3.3 provide the Buyer with regular updates and reports on the progress of sponsorship and licensing activities; and
 - 5.3.4 maintain accurate records of all sponsorship and licensing agreements and related financial transactions.

6. Installation and Maintenance

- 6.1 The Supplier shall be responsible for the installation, maintenance, and removal of all advertising materials relating to any Sponsorship/Third Party Licensing Rights.
- 6.2 The Supplier shall ensure that all installations are conducted in a manner that does not damage the relevant property or asset or interfere with the Buyer's operations.

- 6.3 The Supplier shall promptly repair any damage caused by the installation, maintenance, or removal of any sponsorship and/or third party licensing materials.
- 6.4 The Supplier will be required to secure all necessary approvals to install any advertising materials on a Buyer's estate, in accordance with the Buyer's approval processes and requirements as set out in the Specification or Order Form.

7. Other Supplier duties

- 7.1 The Supplier shall not (and the Supplier shall ensure that each Sponsor/Third Party Licensee does not):
 - 7.1.1 do anything (nor permit anything to be done) which might adversely affect the rights of the Buyer (and/or the Supplier) in or to any of the Sponsorship/Third Party Licensing Rights;
 - 7.1.2 apply for registration of any part of the Buyer Marks or anything confusingly similar to the Buyer Marks as a trademark for any goods or services;
 - 7.1.3 use the Buyer Marks or any part of them or anything confusingly similar to them in its trading or corporate name or otherwise; and
 - 7.1.4 knowingly do, or cause or permit to be done, anything which may prejudice or harm or which has the potential to prejudice or harm the Buyer Marks, the Buyer or the Supplier.
- 7.2 The Supplier shall not have the right to sub-license, assign, transfer or otherwise dispose of any of the Sponsorship/Third Party Licensing Rights (other than in accordance with the terms of this Schedule), without the prior written consent of the Authority. The Supplier shall ensure each Sponsor/Third Party Licensee does not have the right to sub-license, assign, transfer or otherwise dispose of any of the Sponsorship/Third Party Licensing Rights, without the prior written consent of the Buyer.
- 7.3 The Supplier agrees (on its own behalf and on behalf of each Sponsor/Third Party Licensee) that the Buyer (and the Buyer's staff) shall not be:
 - 7.3.1 asked to undertake any task that has not been agreed with the Buyer under the terms of the Order Contract;
 - 7.3.2 used for any publicity purpose without the prior written consent of the Buyer;
 - 7.3.3 named publicly or otherwise identified by unit name, individual name, service number, rank/position or by any other means without the prior written consent of the Buyer;
 - 7.3.4 asked to endorse, be perceived to endorse or comment on, any product, service of the Sponsor/Third Party Licensee or the Sponsor/Third Party Licensee itself; or

- 7.3.5 asked to comment on any matter pertaining to the Buyer other than as provided for under the terms of the Order Contract.

8. Approvals

- 8.1 The Buyer agrees that it:
 - 8.1.1 shall comply with all relevant legislation relevant to its performance of this Agreement as well as any conditions attached to any licences or consents issued in connection with the Order Contract;
 - 8.1.2 shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other Law, acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons in carrying out its obligations during the Order Contract; and
 - 8.1.3 owns or controls the Buyer Marks and that the Sponsor/Third Party Licensee's exercise of the Sponsorship/Third Party Licensing Rights in accordance with the provisions of the Order Contract shall not knowingly infringe the rights of a third party.
- 8.2 The Supplier represents and warrants (on its own behalf and on behalf of each Sponsor/Third Party Licensee) that:
 - 8.2.1 it owns or is solely entitled to use the Sponsor/Third Party Licensee's Marks and any other material supplied to the Buyer in relation to the Order Contract;
 - 8.2.2 the Buyer's use of the Sponsor/Third Party Licensee's Marks in accordance with the Order Contract shall not infringe the Intellectual Property Rights of a third party; and
 - 8.2.3 the Buyer's use of any information relating to and/or provided by the Sponsor/Third Party Licensee by the Buyer in the performance of the Order Contract shall not infringe the confidential information or privacy rights (including, but not limited to, rights under applicable Data Protection Legislation) of a third party.

9. Approval of Advertising Content

- 9.1 All sponsorship, third party licensing and/or advertising content must be approved in writing by the Buyer prior to implementation or proposed use (as applicable). The Buyer reserves the right to reject any content it deems outside of its Code of Acceptance. The Buyer may update its Code of Acceptance on giving notice to the Supplier at any time.

10. Approval Rights

- 10.1 The Buyer retains the right to approve all Sponsorship/Third Party Licensing Agreements. The Supplier shall submit all proposed Sponsorship/Third Party Licensing Agreements to the Buyer for approval prior to execution. The Buyer shall not unreasonably withhold

or delay such approval, provided that the proposed Sponsorship/Third Party Licensing Agreement is aligned with the requirements of the Order Contract (including, but not limited to, any requirements of the Buyer pursuant to Paragraph 3.4).

11. Intellectual Property

- 11.1 In accordance with Clause 9.1 of the Core Terms, all IPRs in and to the Buyer's property (including, but not limited to, the Buyer Marks) remain the exclusive property of the Buyer.
- 11.2 In accordance with Clause 9.2 of the Core Terms, the Supplier is granted a non-exclusive licence to use the relevant Buyer's Existing IPRs (including, but not limited to, the Buyer Marks) solely for the purpose of fulfilling its obligations during the Contract Period, which shall include the purpose of the Supplier securing, and performing its obligations under, Sponsorship/Third Party Licensing Agreements.

12. Termination

- 12.1 Upon termination or expiry of the Order Contract, the Supplier shall cease all sponsorship and licensing activities under this Order Contract and shall provide the Buyer with a final report and accounting of all activities conducted up to the date of termination or expiry.

13. Record and audit rights

- 13.1 The rights and obligations set out in this Paragraph 13 are without prejudice to the other rights and obligations set out under the Order Contract or the DPS Contract.
- 13.2 Without limiting its other obligations under the Order Contract (including in particular its reporting obligations) the Supplier shall, during the Contract Period and for a minimum period of 6 years thereafter (or such longer period required by Law), maintain complete and accurate records in relation to the performance of the Order Contract, including:
 - 13.2.1 details of all contracts which it in connection with the provision of the Services under the Order Contract, and the gross revenue receivable by the Supplier under such contracts;
 - 13.2.2 records relating to the calculation of the Net Revenue, including:
 - 13.2.2.1 details of all gross revenue receivable by the Supplier in relation to this Order Contract;
 - 13.2.2.2 details of any commissions, payments and credits payable by the Supplier in relation to this Order Contract;
 - 13.2.2.3 any other information needed to calculate the Net Revenue from time to time;
 - 13.2.2.4 records relating to all amounts payable to the Buyer under this Order Contract; and

13.2.2.5 records relating to all other financial transactions relating to the Order Contract.

13.3 Provision of financial information

13.4 The Supplier shall provide the following financial information to the Buyer in relation to each calendar month by no later than **[Guidance note: Buyer to confirm on contract award]** after the end of that month or at a frequency required by the Buyer:

13.4.1 a statement of the monthly Net Revenue, broken down as reasonably required by the Buyer;

13.4.2 a statement of the cumulative Net Revenue for the then current Year, broken down in the same manner;

13.4.3 a comparison of the monthly and cumulative Net Revenue amounts with any applicable forecasts; and

13.4.4 a statement of the monthly fixed and variable costs.

13.5 Annual Compliance Certificate

13.6 Where required by the Buyer, the Supplier shall provide the Buyer within sixty (60) calendar days of the end of each [Contract Year][Insert other period] a certificate signed by the Finance Director of the Supplier (or the Supplier's Financial Controller and other senior Chartered Accountant employed by the Supplier) that includes:

13.6.1 confirmation that that all payments made by the Supplier to the Buyer in relation to that [Contract Year][Insert other period] are accurate and in accordance with the Order Contract; and

13.6.2 a reconciliation statement giving full details of the Net Revenue and Direct Costs for each calendar month during the applicable [Contract Year][Insert other period] and all amounts payable to the Buyer in accordance with the Order Contract.

13.7 Audit by the Buyer

13.8 Upon reasonable notice from the Buyer, the Supplier shall provide the Buyer and/or its third party representatives with reasonable access to the records referred to in Paragraph 13.1 to 13.4 (inclusive) and any other records or other documentation relating to the Order Contract.

13.9 The purpose of Audits under this Paragraph 13 include verifying the Supplier's compliance with its obligations under the Order Contract, including verifying the accuracy of all payments made to the Buyer under the Order Contract.

13.10 The Supplier shall fully co-operate with (and shall ensure that the Supplier Staff fully co-operate with) the Buyer and, where applicable, the Buyer's Audit representatives, in relation to any Audits performed under the Order Contract, including by providing any assistance or information reasonably required by the Buyer or such representatives.

- 13.11 Without prejudice to the Buyer's other rights or remedies, if any Audit reveals:
- 13.11.1 any underpayment in relation to any amount due to the Buyer under the Order Contract, the Supplier shall:
- 13.11.1.1 promptly pay to the Buyer the amount of the underpayment plus interest in accordance with the Late Payment of Commercial Debts Act 1998, which shall accrue on a daily basis from the date on which the underpayment ought to have been originally paid to the Buyer until the date of payment, whether before or after judgement; and
- 13.11.1.2 bear the entire cost of the Audit exercise, including all fees incurred by the Buyer's external Audit representatives;
- 13.11.2 any other failure by the Supplier to comply with its obligations under this the Order Contract, the Supplier shall promptly and at its own cost rectify such failure.
- 13.12 The Parties will bear their own costs when an Audit is undertaken unless Paragraph 13.11.1.2 applies and/or the Audit identifies a material Default by the Supplier, in which case the Supplier will repay the Buyer's reasonable costs in connection with the Audit.