

SCHEDULE 1: Definitions

"Accounting Responsibilities"	means the obligations set out in Schedule 8 (Accounting Responsibilities) to remit, account and report payments processed by the Service Provider;
"Additional Services"	means services that are outside the scope of the Services;
"Annex"	means any annex to any Schedule to this Contract;
"Assets"	means hardware, software, systems, data, IPR, documentation and all other tangible and intangible assets;
"Assigned IPR"	shall have the meaning set out in Clause 17.2 (Intellectual Property Rights) of the Terms and Conditions;
"Audit"	shall have the meaning set out in Clause 10.3 (Management Information and Audit Requirements) of the Terms and Conditions;
"BBC Audit Representatives"	means the BBC (including the BBC Trust), its internal and external auditors (and, in each case, their appointed contractors), the Department of Culture Media and Sport and any other body with competent jurisdiction (including the National Audit Office);
"BBC Contract Manager"	means the person designated by the BBC from time to time as responsible for managing this Contract;
"BBC Contractors"	means those third party suppliers, customers, agents, contractors and contributors of or to the BBC from time to time (other than the Service Provider);
"BBC Data"	means all data, information, text, drawings, diagrams, images or recorded material (in tangible or electronic form) provided to the Service Provider by the BBC or in respect of which the BBC has allowed the Service Provider access or which has been generated by the Service Provider for the BBC pursuant to this Contract (including without limitation all financial data relating to the BBC, the Management Reports, the Service Architecture Design Document, Transition Plan, Disaster

	Recovery Plan, Exit Plan and the contents of the BBC Databases);
"BBC Database"	means any database which is owned by the BBC and to which access is granted to the Service Provider for the provision of the Services;
"BBC IPR"	shall have the meaning set out in Clause 17.1 (Intellectual Property Rights) of the Terms and Conditions;
"BBC Modifications"	means any modifications to any software owned by a third party where such modifications are made by or on behalf of the Service Provider for the BBC for use in the provision of the Services;
"BBC Policies"	means all those policies set out in Schedule 11 (BBC Policies) or as otherwise varied or replaced by the BBC from time to time and notified to the Service Provider in writing;
"BBC Property"	means all real and personal (tangible and intangible) property belonging to the BBC by virtue of this Contract or otherwise;
"BBC Software"	means any software owned by the BBC which is used in the BBC System including the BBC Modifications;
"BBC System"	means the combination and design of telecommunications, hardware, software and other items required to meet the requirements of the Transition Plan, including without limitation the BBC Databases and the BBC Software (but excluding the Service Architecture);
"BBC TVLSC Account"	means the BBC savings holding account for TVLSC or such other account(s) as are notified by the BBC to the Service Provider;
"Benchmarking Report"	means the benchmarking report described in the Annex of Schedule 3 (Governance);
"Break Option"	means the option for the BBC to terminate this Contract in whole or in part for convenience pursuant to and in accordance with Clause 3.3 (Term of Contract and Break);

	Option) of the Terms and Conditions;
"Cancellation"	means in respect of a Licence when the Service Provider cancels any outstanding amount of the Licence Fee and "Cancel" and "Cancelled" will be construed accordingly;
"Caring Agency"	means 'not for profit' organisations who identify persons suitable for Cash Schemes and refer them to the Service Provider;
"Cash Schemes"	means CEE, MCP and TVLSC;
"CASSIE"	means any database relating to the administration of CEE and MCP which includes BBC Data, as updated from time to time, to which access is granted to the Service Provider by or on behalf of the BBC pursuant to this Contract;
"CEE"	means the Cash Easy Entry Scheme for payment of the Licence Fee;
"CEE DCMS Account"	means the Paymaster General's cash account (for credit to the DCMS general cash account) for CEE or such other account(s) as are notified by the BBC to the Service Provider;
"Change"	means a change to the Services or Contract and/or the Service Levels being provided by the Service Provider;
"Change Control Notice"	means the form of notice set out in Schedule 6 (Change Control);
"Change Control Procedure"	means the procedure for requesting and implementing Changes as set out in Schedule 6 (Change Control);
"Change Request"	means a request for a Change submitted in accordance with the Change Control Procedure;
"Charter and Agreement"	means the charter for the continuance of the BBC granted to the BBC by Her Majesty the Queen in Council and is supplemental to the Royal Charter of Incorporation of the BBC granted to the BBC on 20 th December 1926 and the agreement between the BBC and Her Majesty's Secretary of

State for Culture, Media and Sport dated 30th June 2006, both of which came fully into effect on 1st January 2007;

"Confidential Information"	shall have the meaning set out in Clause 22.1 (Confidentiality) of the Terms and Conditions;
"Contract Change Note"	means the form of note set out in Schedule 6 (Change Control);
"Contract Year"	means each period of a calendar year commencing at 00:01 on the Effective Date (or the anniversary thereof) and ending at 23:59 on the final date in that calendar year period;
"Contract"	means the Terms and Conditions, the Schedules, Annexes and other attachments, as amended from time to time in accordance with this Contract, and any other documents expressly identified in this document as forming part of the Contract;
"Co-operation Agreement"	shall have the meaning set out in Clause 5.5 of the Terms and Conditions;
"Customer"	means any person who uses the Services;
"Customer Facing Documentation"	means any documentation for dissemination to Customers relating to the Licence pursuant to this Contract (whether to individuals or the public in general) including without limitation correspondence, application forms, literature and policy statements, web copy, IVR scripts and SMS scripts which is either: <ul style="list-style-type: none">(a) provided by the BBC to the Service Provider; or(b) produced by or on behalf of the Service Provider or any Subcontractor pursuant to this Contract.
"Customer Satisfaction Survey"	means the surveys to be conducted by the Service Provider or a third party (at the BBC's option) as described in Schedule 2 (Services);
"Data Protection Law"	means the European Community Directive 95/94/EC and all law implementing the same in the UK, including the Data Protection Act 1998 and relevant subsidiary legislation and

	Codes of Practice issued by the Information Commissioner from time to time, together with any other legislation of the European or UK Parliaments or of the jurisdictions of the Locations coming into force during the Term which is designed to protect individuals with regard to the processing of their personal data;
"Date Compliant"	means that dates can be accurately processed (including calculating, comparing and sequencing date data) from, into and between centuries and/or years, including leap year calculations so that neither performance of the Services nor functionality of any part of the Service Architecture or the BBC System is affected by any change in date;
"DCMS"	means the government Department of Culture, Media and Sport;
"Deliverables"	means any items delivered and/or to be delivered by or on behalf of the Service Provider to the BBC under this Contract;
"Disaster Recovery Plan"	means the plan set out in Schedule 9 (Security Requirements and Disaster Recovery) as amended and updated from time to time in accordance with that Schedule;
"Dispute Resolution Procedure"	shall have the meaning set out in Schedule 3 (Governance);
"Effective Date"	means the date of this Agreement;
"Escalation Procedure"	shall have the meaning set out in Schedule 3 (Governance);
"Existing Services"	means the services provided by the Service Provider under the Prior Contract;
"Exit Plan"	means the plan to be prepared by the Service Provider in accordance with Clause 19 (Exit Plan and Consequences of Termination) of the Terms and Conditions and Schedule 10 (Exit);
"Financial Year"	means the BBC's financial year, being the period April 1 st to March 31 st or such other period as the BBC may decide from

	time to time;
"FOIA"	means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such legislation;
"Force Majeure Event"	shall have the meaning set out in Clause 24.1 (Force Majeure) of the Terms and Conditions;
"Fraud Investigation"	shall have the meaning set out in Clause 10.4 (Management Information and Audit Requirements) of the Terms and Conditions;
"Fundamental Concern"	<p>means in relation to a person gaining control of the Service Provider, it is the BBC's reasonably held concern or belief that such person:</p> <ul style="list-style-type: none"> (a) has been involved in, or is subject to prosecution (or has been prosecuted) in respect of fraudulent activity, is insolvent or in respect of whom any of the events identified in Clause 18.1(j) (Termination) of the Terms and Conditions has occurred; (b) imports, distributes, publishes, communicates or records pornography or is otherwise materially involved in or associated with any immoral activity or business; (c) has central objectives associated with the dissemination or communication of a particular religion or religious viewpoint or philosophy; (d) has central objectives associated with the dissemination or communication of a particular political viewpoint or policies associated with a particular party or group of political parties; or <p>will have or, when it has acquired control of the Service Provider, will have a conflict of interest with the interests of the BBC;</p>
"Good Industry Practice"	means, in relation to any undertaking in any circumstances, the exercise of that degree of skill, care, prudence and foresight which would be expected from a skilled and

experienced person anywhere in the world at the leading edge of their field engaged in the same type of undertaking under the same or similar circumstances (but does not necessarily mean 'state of the art' in respect of technology provision);

"Guarantee"

means the guarantee attached at Schedule 15 (**Guarantee**) between the BBC and IQOR Inc, a Delaware corporation with corporation number 2868366, having its principal place of business at 335 Madison Avenue, 27th Floor, New York, NY 10017, USA;

"Head of Revenue Management"

means the person responsible for the management of the BBC's revenues, being Pipa Doubtfire or any person replacing her in that position or taking over all or substantially all of her functions and responsibilities;

"Initial Term"

shall have the meaning set out in Clause 3.2 (**Term of Contract and Break Option**) of the Terms and Conditions;

"IPR"

any current and future intellectual property rights, including:

- (a) copyrights, trade marks, trade names, domain names, rights in logos and get-up, rights in confidential information, trade secrets and know-how including commercial know-how, design rights, rights in inventions, patents, utility models, semi-conductor topographies, rights in databases; and
- (b) all intangible rights and privileges of a nature similar, analogous or allied to any of the above;

in every case in any part of the world and whether or not registered, including in relation to the above:

- (c) all granted registrations and all applications for registration;
- (d) all renewals, reversions or extensions;
- (e) the right to sue for damages or obtain other relief; and

all forms of protection of a similar nature which may subsist anywhere in the world;

"ITIL"	means the IT Infrastructure Library published by the Office of Government Commerce;
"Joiner"	means a Customer who applies and is accepted to CEE;
"Key Personnel"	means the key personnel to be deployed by the Service Provider in connection with this Contract as identified in Schedule 3 (Governance);
"Key Principles"	shall have the meaning set out in Clause 5.2 (Services) of the Terms and Conditions;
"LASSY"	means any database relating to the enforcement and administration of the collection of the Licence Fee which includes BBC Data, as updated from time to time, to which access is granted to the Service Provider by or on behalf of the BBC pursuant to this Contract;
"Law"	means: <ul style="list-style-type: none">(a) any statute, regulation, by law, ordinance or subordinate legislation in force from time to time to which a party to this Contract is subject, including without limitation, any regulation issued by H.M. Government in connection with the Licence;(b) the common law as applicable to the parties to this Contract from time to time;(c) any binding court order, judgment or decree given in respect of either party party;(d) any applicable industry code, or standard enforceable by law; and(e) any applicable direction, rule or order that is binding on a party hereto and that is made or given by any body having jurisdiction over a party or any of that party's assets, resources or business;
"Licence"	means a licence for the right to use or install a television receiver (as such term is defined in the Communications Act 2003);

"Licence Fee"	means all sums payable in respect of a Licence;
"Licence Fee Receipts"	means all payments received by the Service Provider from Customers for or towards the payment of a Licence;
"Licence Fee Savings"	means all savings received by the Service Provider from Customers in respect of the payment of a Licence;
"Licensing Authority"	means the person with statutory responsibility for the administration and enforcement of the Licence, currently the BBC;
" <u>Liquidated Damages</u> "	<u>means the liquidated damages set out in Schedule 7 (Transition);</u>
"Locations"	means: <ul style="list-style-type: none">(a) 33/34 Winckley Square, Preston, Lancashire PR1 3EL; and(b) Suite 110, Time Technology Park, Blackburn Road, Simonstone, Lancs BB12 7TG;
"Management Reports"	shall have the meaning set out in Clause 10.1 (Management Information and Audit Requirements) of the Terms and Conditions;
"MCP"	means Monthly Cash Plan, a scheme which allows payment of the Licence Fee by way of monthly cash payments;
"Member"	means any person whose application to the Cash Schemes has been accepted and whose membership has not been cancelled or otherwise terminated;
"Milestone Date(s)"	means the milestone date(s) set out in Schedule 7 (Transition);
"Milestone(s)"	means the milestone(s) set out in Schedule 7 (Transition);
"Minimum Information"	means the staff information which the Service Provider is required to provide to the BBC and/or the Successor Service

	Provider as set out in paragraph 8 of Schedule 10 (Exit);
"NCC"	means NCC Escrow International Limited whose registered office is at Oxford House, Oxford Road, Manchester, M1 7ED, UK;
"Network Operator"	means the operator(s) of the network(s) of outlets at which point of sale terminals transmit details of payment for the Licence Fee by persons using Cash Schemes and at the Effective Date being PayPoint plc (company number 03581541) having its registered office at 1 The Boulevard, Shire Park, Welwyn Garden City, Herts AL7 1EL;
"Open Book Accounts"	means complete and accurate financial and non-financial information relating to the Services and how the Service Charges are calculated, including information relating to: <ul style="list-style-type: none">(a) actual capital expenditure, including capital replacement costs;(b) actual operating expenditure, including the costs of staff consumables, subcontracted and bought in Services;(c) interest, expenses and other third party financing costs;(d) details of overhead recoveries; and(e) profit, all as relate to provision of the Services;
"Open Book Basis"	means the maintenance of the Open Book Accounts by the Service Provider and the provision of free access for the BBC to such Open Book Accounts in accordance with Clause 10 (Management Information and Audit Requirements) of the Terms and Conditions;
"Over 75 Licence"	means a free Licence available to a person aged 75 years or older for use at their principal residence;
"Personal Data"	shall have the meaning given to it under Data Protection Law;

"Personnel"	means all those employees, contractors and agents used by the Service Provider in connection with this Contract, together with all such employees, contractors and agents of any Subcontractors;
"Pre-Step-In Notice"	shall have the meaning set out in <u>Clause 20.1(b) (Step-in Rights)</u> of the Terms and Conditions;
"Pre-Step-In Requirements"	shall have the meaning set out in <u>Clause 20.1(b) (Step-in Rights)</u> of the Terms and Conditions;
"Prior Contract"	means the Service Provision Agreement for the Management of TV Licence Card Based Payment and Saving Schemes between the BBC and the Service Provider dated 23 October 2000;
"Quarter"	shall except for the first Financial Year and the last Financial Year of this Contract mean each of the periods 1 April to 30 June; 1 July to 30 September; 1 October to 31 December and 1 January to 31 March in each Financial Year, provided that in the first Financial Year of this Agreement the exceptions will be the period from the Effective Date to the appropriate Quarter date and in the last Financial Year of the Agreement shall be the period from the final complete Quarter to the date on which the Contract expires or terminates;
"Records"	shall have the meaning set out in Clause 10.2 (Management Information and Audit Requirements) of the Terms and Conditions;
"Refunds"	means a money refund made in relation to a Licence issued to a Customer in accordance with BBC Policies;
"Relevant Transfer"	has the meaning given to that phrase in Regulation 2 of TUPE;
"Reporting Period"	means each calendar month during the Term;
"Revocation"	means in respect of a Licence, when a letter of revocation is sent by the Service Provider to the Customer and "Revoke"

and "Revoked" will be construed accordingly;

"SASSIE"	means any database relating to the administration of TVLSC which includes BBC Data, as updated from time to time, to which access is granted to the Service Provider by or on behalf of the BBC pursuant to this Contract;
"Schedule"	means any of the schedules to this Contract;
"Security Plan"	shall have the meaning set out in Schedule 9 (Security Requirements and Disaster Recovery);
"Service Architecture"	means the overall structure of the Service Provider's environment within which the Services are to be provided, which includes the Service Provider's local area network, wide area network, hardware, software, computer peripherals, telephone equipment and any other business operating systems which are owned by or licensed to the Service Provider and which the Service Provider uses in conjunction with the BBC System to provide the Services;
"Service Architecture Design Document"	means the document to be generated by the Service Provider in accordance with Clause 12.1 (Systems and Documentation) of the Terms and Conditions which details the Service Architecture and includes the information set out in Schedule 14 (Service Provider Documentation);
"Service Charges"	means the charges payable by the BBC to the Service Provider as set out in Schedule 5 (Service Charges);
"Service Credits"	means the service credits payable in accordance with Schedule 4 (Service Level Agreement);
"Service Levels"	means the service levels to be met by the Service Provider in providing the Services as set out in Schedule 4 (Service Level Agreement);
"Service Provider Accounts"	shall have the meaning set out in paragraph 2 of Schedule 8 (Accounting Responsibilities);
"Service Provider Contract"	means the person designated by the Service Provider from time to time as responsible for managing this Contract in

"Manager"	accordance with the terms of Schedule 3 (Governance);
"Service Provider Documentation"	means any material used by the Service Provider or any Subcontractor pursuant to this Contract in order to enable the Service Provider's employees, Subcontractors, contractors and agents to supply the Services or which detail the Service Provider's business processes in relation to the performance of the Services as detailed in Schedule 14 (Service Provider Documentation);
"Service Provider CEE Account"	shall have the meaning set out in paragraph 2 of Schedule 8 (Accounting Responsibilities);
"Service Provider TVLSC Account"	shall have the meaning set out in paragraph 2 of Schedule 8 (Accounting Responsibilities);
"Services"	means any services provided or to be provided by the Service Provider pursuant to this Contract, including without limitation the Deliverables;
"Services Employees"	shall have the meaning set out in paragraph 8 of Schedule 10 (Exit);
"Service Start Date"	means 1 April 2008;
"Short Term Licence"	means a Licence described as an "interim" or "transitional" Licence in the Communications Act 2003;
"Smooth Transition"	means the seamless and effective transition from the Existing Services to the Services on the Service Start Date (in terms of the development, testing and implementation of the new business functions set out in Schedule 7 (Transition)) and/or (as appropriate) for the provision of the Services from the Service Provider to a Successor Service Provider from the Service Provider on the expiry or termination of this Contract (including the provision of full cooperation with the BBC, (as appropriate) and the Successor Service Provider and such information and assistance as the BBC reasonably requests in relation to such transition);
"Source Code"	means up to date computer programming code of the software concerned in human-readable form such as to enable it to be compiled or interpreted into equivalent object

	code and all other information, software and documentation necessary for the use, reproduction, modification and enhancement of the software;
"Statement of Account"	shall have the meaning set out in paragraph 6.1 of Schedule 5 (Service Charges);
" <u>Step-In Event(s)</u> "	shall have the meaning set out in Clause 20.1(a) (Step-in Rights) of the Terms and Conditions;
" <u>Step-In Right</u> "	means the rights of the BBC described in Clause 20.2 (Step-in Rights) of the Terms and Conditions;
"Subcontractor"	means a subcontractor used by the Service Provider in connection with the provision of the Services (any such subcontractors to be approved by the BBC in accordance with Clause 26 (Use of Subcontractors) of the Terms and Conditions);
"Successor Service Provider"	means any service provider to whom responsibility for the performance of the Services (or part of them or services similar to the Services) is to be transferred upon the expiry or termination of the Contract or thereafter, including the BBC or any third party service provider;
"Telephone Numbers"	means the Customer-facing telephone numbers used in the provision of the Services;
"Term"	means the Initial Term, together with any extensions to the Initial Term effected in accordance with Clause 3.3 (Term of Contract and Break Option) of the Terms and Conditions and subject always to early termination of this Contract in accordance with its terms;
"Termination Charge(s)"	means the payments due (if any) to the Service Provider upon early termination of this Contract;
"Terms and Conditions"	means the terms and conditions of this Contract, excluding the Schedules;
"Territory"	means England, Wales, Scotland and Northern Ireland;

"Third Party IPR"	means any IPR which are used in connection with provision of the Services and which are owned by a third party;
"Trade Mark Licence"	means the trade mark licence attached at Schedule 13 (Trade Mark Licence);
"Transferred Employee"	shall have the meaning set out in paragraph 8 of Schedule 10 (Exit);
"Transition Plan"	means the plan identified as such in Schedule 7 (Transition);
"Transition"	means the period and/or the activities to be undertaken (as appropriate) to ensure the successful delivery of all new business functions as set out in Schedule 7 (Transition);
"Transition Release"	means a release of new functionality for each new business function as detailed in paragraph 2.3 of the Transition Plan;
"Transition Release Plan"	means the plan attached at Annex 1 of Schedule 7 (Transition) containing the activities and Milestones related to the delivery of each Transition Release;
"Trialling"	means in relation to each Transition Release such testing and other activities are required to demonstrate that the Trialling Criteria for each Transition Release are met in accordance with each Transition Release Plan;
"Trialling Criteria"	means the following criteria: <ul style="list-style-type: none"> (a) that the Services in relation to a Service Area meet the requirements of Schedule 2 (Services); (b) that the Services in relation to a Service Area meet the Service Levels; (c) that the Services and the provision of such Services in relation to a Service Area comply with the BBC Policies and with all Laws; (d) that the Services and the provision of such Services in relation to a Service Area comply in all other respects with this Contract; and (e) that the Services in relation to a Service Area are

provided to the BBC in the way envisaged by this Contract.

"TVL Administrator"

means the person appointed by the BBC for the enforcement and administration of the collection of the Licence Fee and at the Effective Date being Capita Business Services Limited (company number 02299747) having its registered office at 71 Victoria Street, Westminster, London SW1H 0XA;

"TVLSC"

means the TV Licensing Savings Card which allows Customers to save towards the payment of the Licence Fee;

"TV Licence Savings Stamps"

means the savings stamps issued by or on behalf of the Licensing Authority for purchase by Customers as a means of saving towards payment of the Licence Fee;

"TUPE"

means the Transfer of Undertakings (Protection of Employment) Regulations 2006;

"VAT"

means value added tax as provided for in the Value Added Tax Act 1994 and any similar sales, consumption or turnover tax introduced within the European Community or elsewhere in the world;

"Working Day"

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"Year"

means each twelve (12) month period during the Term commencing on the Service Start Date and every subsequent anniversary of the Service Start Date.

