OPERIS

Balfour Beatty Capital Limited
350 Euston Road
Regent's Place
London
NW1 3AX

For the attention of Jason Cheng

Norddeutsche Landesbank Girozentrale
("Nord/LB")
71 Queen Victoria Street
London
EC4V 4NL

For the attention of John Hanley

Dexia Crédit Local
1 Passerelle des Reflets
Tour Dexia La Défense 2
TSA 92202-92919
La Défense
France

For the attention of Sarah Heavey

Version 6
4 February 2011

Dear Sirs

NORTH WEST FIRE AND RESCUE SERVICES
PROPOSAL FOR REVIEW OF PFI FINANCIAL MODEL
FUNDER ENGAGEMENT

Operis thanks the Funders for the invitation to submit a proposal to review the model for this project and offers this letter by way of reply.

This letter and the Terms and Conditions attached at Appendix A are to be read together and, if signed by the parties, set out the Agreement between OBE and the Funders.

VERSION HISTORY

This letter has been prepared in the following versions.

	Date	Comment
Version 6	4 February 2011	Revised per bank comments

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Operis Business Engineering Limited is authorised and regulated by the Financial Services Authority
Incorporated in England N° 3367637

DEFINITIONS

For brevity, this letter uses short forms to identify the terms and parties concerned:

- "Dexia" refers to Dexia Crédit Local;
- "Nord/LB" refers to Norddeutsche Landesbank Girozentrale;
- "Funders" refers to Dexia Crédit Local and Norddeutsche Landesbank Girozentrale and any Participants and assignees;
- "Sponsor" refers to Balfour Beatty Capital Limited;
- "Client" shall for the purposes of the Terms and Conditions in Appendix A mean the Funders;
- "Authority" refers to Lancashire Fire & Rescue, Merseyside Fire & Rescue and Cumbria County Council;
- "OBE" refers to Operis Business Engineering Limited; references to "we" and "us" also refer to OBE;
- "Participants" means any financial institution to whom the Funders transfer their rights and obligations (or parts thereof) under the financing documents (by way of syndication, secondary market sale, financial guarantee, sub-participation or analogous mechanism);
- "Project" refers to the project described in the Background section below;
- "Project Documents" refers to the agreements or extracts thereof, to include: Loan Facility Agreement, Project Agreement, Security Trust and Intercreditor Deed, Account Mandate Agreement, Building Contract, and FM Services Agreement, Fee Letters, Noteholders Subscription Agreement, Borrower Loan Note Instrument, Borrower Loan Notes, and Shareholders Agreement;
- "Services" means the services to be performed by OBE as set out in the Proposal section of this letter;
- "SPV" refers to the special purpose vehicle to be set up for the Project; and
- "Model" refers to the financial model of the Project, developed by Ernst & Young LLP for the Project, which will be subject to audit.

BACKGROUND

The Project involves the financing, design, development and operation of 16 new Fire Stations in the North West of England and the provision of hard and FM services during a 25 year operational period. The Project is being procured collectively by three separate Authorities, namely Lancashire Fire & Rescue (FRA), Merseyside FRA and Cumbria County Council.

OBE has been asked to provide a proposal to formally audit the Model in the run up to financial close.

PROPOSAL

OBE offers to:

- carry out a detailed review of the internal consistency, arithmetic accuracy, logic and integrity of the Model to ensure that the formulae, algorithms and calculations are arithmetically correct and that the results are reliable, accurate, complete and consistent with the assumptions contained within the Model;
- ensure that the Model's stated factual, technical, financial and other assumptions have been properly reflected and accurately input and are consistent with and agree with the supporting information contained in the Project Documents and the financing documents;
- confirm that the Model complies with the facilities/loan agreement in all material and relevant respects – including:
    - accuracy of cover ratio calculations
    - calculation of interest
    - calculation of Maintenance Reserve Account balances
    - calculation and inclusion of other senior debt costs and fees
    - period, tail and loan life calculations
    - sheets requested by Funders;
- ensure the Model materially achieves its objective of generating profit and loss, cash flow and balance sheet projections, correct calculation of required reserve account balances and generation of key financial and banking ratios for the Project on the basis of the set of operational, financial and economic assumptions set out in the base case;
- confirm that the key outputs of the base case and the sensitivity runs are within the range expected given the inputs and structure of the financing, income and costs;
- ensure that covenants have been calculated in strict accordance with the most recent drafts of the facility agreement and that there are no breaches or potential breaches of covenants in the projections;
- ensure that the Model correctly calculates indexation variation in revenues and costs;
- review the Model's outputs to identify any unexplainable trends or variations in key financial and required banking indicators including required reserve account balances. This will include a detailed review of the method and accuracy of the financing outputs including cover ratios and calculation of reserve account balances and confirmation that the stated definitions of these are correctly interpreted in the Model's formulae, as well as ensuring that there are no breaches or potential breaches of covenants in the projections;

- review the assumptions and outputs contained in or produced by the Model to ensure that the Model conforms with current and foreseen UK tax legislation; (including VAT and VAT cashflows and timing assumptions thereof); highlight where there could be tax liabilities that materially undermine the Model's cashflows; and ensure that the tax treatment in the Model is consistent with the accounting treatment in the Model;
- review the assumptions and outputs contained in or produced by the Model to ensure that the Model conforms with current and foreseen International Financial Reporting Standards; highlight if the accounting treatment in the Model is prudent from a Funders' perspective; and review the modelling of the financial asset accounting treatment and composite trade tax treatment as appropriate;
- understand and review a range of sensitivity runs (run by the model author) of the Model to ensure that changes to results accurately reflect changes to input data;
- confirm that the key outputs of the Model (including investor return measures) and the sensitivity runs are within the range expected, given the Model's inputs, structure of the financing, income and costs. The sensitivity review shall be subject to (i) the method of running the sensitivities being discussed and agreed amongst the Funders, the Sponsor and OBE beforehand, and (ii) OBE receiving written confirmation from the Funders and the Sponsor that the relevant sensitivity is in an "agreed form" to be reviewed;
- review whether the Model is capable of being used as a monitoring tool throughout the life of the facility, in particular, having the ability to perform periodic forecasting as contemplated in the relevant provisions of the relevant Project Documents;
- review payment provisions of the Project Agreement and confirm their consistency with the Model cash flow assumptions by producing (for simulation purposes) the first SPV invoice;
- review the schedules and data tables of the Project Documents added into the Model;
- liaise with the Client and their respective advisors, as and when appropriate, and if relevant, to discuss and clarify issues in relation to the Model;
- provide ad hoc audit-related advice to the Client through the period of negotiations between the Authority, the Sponsor and the Funders;
- provide the Funders with the reasonable support that might be required during the syndication process, including if necessary, the review of additional sensitivities;
- provide comments on any other aspect, which we believe might be relevant and of significance to the Project;
- attend a limited number of meetings with the Client (or by way of conference call) to discuss our findings, as and when appropriate;

- review a number of iterations of the Model as it evolves toward financial close; and
- attend both a dry-run (if necessary) and the actual day of financial close.

OBE warrants to the Client that it has exercised and will continue to exercise in the performance of the Services all the reasonable skill, care and diligence to be expected of a properly qualified and competent consultant of the relevant discipline experienced in carrying out similar services having regard to the size, scope, location and complexity of the Project.

Save where expressly agreed in writing by the parties hereto, neither giving nor making nor the failure to give or make any approval, consent, inspection or enquiry by the Funders shall release OBE from any obligations under this Agreement.

DELIVERABLES

OBE's deliverables during the course of the audit will include issue reports setting out issues identified in the review, addressed to the Sponsor and the Funders. These reports will summarise and discuss the issues set out above. OBE will ensure the Client is copied to all external correspondence in relation to the Model and the Project Documents to be reviewed and is kept up to date at all times. OBE will discuss issues arising from the review with the Funders and their respective advisers as applicable. A full final issue report will be issued to all parties to whom our liability cover is being extended. OBE's final deliverable under this Agreement will be an opinion letter addressed to the Funders.

PROPOSED STAFFING

The OBE team will be overseen by Paul Myers, a Director.

One of Chris Aldred, Veselina Kotavova, and David Rosel (all Assistant Directors at OBE), will act as the principal point of contact and will lead the review. They will be assisted by members of the consultant pool as appropriate.

Tax and accounting will be reviewed by Daniel Adams, James Jones, or Morag Loader. Morag is a Chartered Accountant and Chartered Tax Adviser, who specialised in tax in the PFI teams at Deloitte and KPMG; Daniel is a Chartered Accountant and Chartered Tax Adviser, trained at the National Audit Office; and James is a Chartered Accountant also trained at Deloitte.

TIMETABLE

OBE understands that financial close is expected to be 22 February 2011, and confirms it can work with the Client to achieve that timetable.

REMUNERATION

OBE offers a fixed fee in aggregate for this engagement and the corresponding engagement to this with the Sponsor of £38,570 for the Preferred Bidder period, independent of the professional time taken, subject to the following conditions:

- the assignment is limited to the scope of work outlined in the Proposal section;
- OBE is not asked to review more than 4 versions of the Model (the original version plus 3 further revisions). OBE agrees that a new Excel file with minor input changes only, shall not count as an iteration for the purpose of this clause;
- OBE is not asked to review more than 15 sensitivities on the Model, the sensitivities will be run by the Model author, and re-runs of the same sensitivities shall count as additional sensitivities;
- under this engagement OBE is not asked to provide an opinion to anyone other than the Funders;
- OBE's opinion shall be limited to the following outputs, and any calculations throughout the model that are involved in calculating those outputs: cashflow schedule, profit and loss schedule, balance sheet schedule, summary/outputs sheet, gaps list, funding cover ratios (as defined in the finance documents), swap schedules, drawdown schedule, sources and uses schedule and investors' returns;
- OBE is not required to attend more than one dry run of financial close; and is not required to attend financial close on more than one day (although we would be happy to assist with any further dry runs and close days where we can do so remotely); and
- OBE is not required to assign staff to this assignment after 31 January 2011 (the "Long Stop Date").

For each Model version that we are asked to review beyond the limits set out above, we will charge an additional fixed fee in aggregate for this engagement and the corresponding engagement to this with the Sponsor of £2,000 GBP per Model version. For each sensitivity that we are asked to review beyond the limits set out above, we will charge an additional fixed fee in aggregate for this engagement and the corresponding engagement to this with the Sponsor of £500 GBP per sensitivity.

Any fees for services to be performed or provided in addition to the Services (the "Additional Services") shall be agreed between OBE, the Funders and the Sponsor prior to such Additional Services commencing.

In the event that these conditions are breached OBE reserves the right to charge in aggregate for this engagement and the corresponding engagement to this with the Sponsor on the basis of time and materials at the standard rates listed below.

	Hourly rate (£)
Director	440
Assistant Director	335
Manager	285
Senior Consultant	245
Consultant	200
Analyst	175

Where and to the extent that any of the conditions above are not met and/or the Funders require any additional work to be undertaken in accordance with this letter the Funders and OBE shall seek the Sponsor's prior written agreement to any increase in the fixed fee.

FINE PRINT

This assignment will be completed subject to OBE's Standard Terms and Conditions, which can be found in Appendix A.

Where there are any differences between the terms of this letter and our Standard Terms, then the terms of this letter shall prevail. In particular:

- Clause 2.2 is amended such that "Services should be deemed to be complete when they are complete (not substantially complete)"
- Clause 2.3 shall not apply.
- Clause 3.1 is amended such that "Reports may not be released to any third party, other than prospective participants in the funding and professional advisors of those parties without the prior written permission of OBE."
- Clause 3.4 is amended such that "Subject to 3.3, OBE does not accept any responsibility whatsoever or howsoever arising, whether by reason of inaccuracy or negligence on its part or otherwise, for any loss, damage, cost or expense suffered as a result of reliance by any third party on the contents of Reports."
- Clause 6.4 is added such that "OBE grants to the Client and to the Participants (as defined in the Engagement Letter) a non-exclusive, royalty free and irrevocable licence to use intellectual property in any work or Report delivered as part of the Services."
- Clause 7.2 is amended such that it reads "OBE shall invoice Balfour Beatty Capital Limited for the Services and its expenses in accordance with the provisions of this Agreement. All invoices are to be paid on presentation by Balfour Beatty Capital Limited."

- The first sentence of Clause 7.4 is amended such that it reads "If the Project is abandoned OBE shall charge Balfour Beatty Capital Limited for the work undertaken to abandonment subject to the extent of any fee cap set out in this Agreement."
- The first sentence of clause 7.5 is replaced with "If the Client cancels or terminates the Agreement, other than pursuant to 11.3, then OBE reserves the right to charge for the total original quoted value of the Services, this change being subject to a maximum of the actual time charges and cost of materials/expenses incurred to cancellation."
- Clause 7.6 is amended so that it reads "If any invoice remains unpaid for 30 days or more, Balfour Beatty Capital Limited may be charged interest upon the outstanding sum at 3% above National Westminster Bank plc's Base Rate, from the due date of the invoice until the outstanding invoice is paid."
- Clause 8.2 is added such that "OBE shall, upon request and in any event upon termination of this Agreement, to the extent permitted by law or internal policy requirements, immediately deliver to the Client, or procure the delivery of, all correspondence, documents, specifications, papers and property, both original and copies, belonging to the Client, their clients and/or associates (or which is otherwise due for return to the Client) which may be in the possession of or under the control of OBE."
- Clause 10.1 is amended such that "Notwithstanding OBE's requirements to keep certain information confidential, the Client shall permit OBE to disclose the fact but not the details of its assignment for the Client to third parties in the course of self advertising and promotion."
- Clause 11.3 is amended such that "OBE shall immediately inform the Client if such insurance ceases to be available at commercially reasonable rates in order that the Client and OBE can discuss the means of best protecting the respective positions of the Client and OBE in respect of the Project and the absence of such insurance."
- Clause 11.4 is amended such that "Balfour Beatty Capital Limited shall be liable for any loss, damage or injury to OBE staff or their property which may arise whilst working at the Balfour Beatty Capital Limited's premises, this will not apply to OBE staff's own acts and omissions"
- Clause 11.5 is added such that "OBE shall not exclude or restrict its liability for any of the following and no liability for the same shall be taken into account in determining whether the limit of liability referred to above has been reached or exceeded. Any damage, loss, expense, cost, claim or proceedings in respect of:

  (i) death or personal injury;

  (ii) fraud; or

  (iii) wilful misconduct.

- Clause 12.2 is amended to add "material term" before "of the agreement" in bullet point 1;
- Clause 12.3 is amended to add "material term" before "of the agreement" in bullet point 1;
- Clause 12.4 is amended such that "Balfour Beatty Capital Limited shall be liable for all outstanding sums due to OBE and OBE shall only be entitled to full payment if termination is due to a breach by the Client (and not OBE)."
- Clause 13 is amended such that the Client's obligations under this clause shall only apply to the named members of the Client's teams that are working on this project directly with the OBE staff concerned who are also working on this Project and shall not extend to where such employment arises in response to bona fide recruitment advertisement or non-targeted executive search.
- Clause 15.1 is amended such that "This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law and be subject to the exclusive jurisdiction of the English courts.

Notices under this agreement shall be given in writing to the relevant party at the address stated above, or such other address as previously notified. Any such notices to be delivered by hand or by recorded first class mail only, and shall be deemed received when delivered.

We shall invoice Balfour Beatty Capital Limited at the earlier of financial close or the Long Stop Date as defined above or delivery of the final opinion. Our invoices are payable upon presentation, and shall include reasonable travel and subsistence expenses recharged at cost. Our fee is to be paid from the first drawing of funds, if not before. For the avoidance of doubt, we acknowledge that the Funders shall have no liability to us in respect of any fees, costs or expenses payable under this letter.

Once OBE has been instructed to commence work that will be deemed to be acceptance of the terms and conditions set out in this letter and the accompanying standard terms. The above fee is subject to there being no subsequent demands to vary these terms and conditions.

Once started, should the project be abandoned, or should this engagement be terminated, OBE reserves the right to invoice Balfour Beatty Capital Limited for time spent at the rates above, subject to a cap of the fixed fee amount.

Balfour Beatty Capital is party to this Agreement solely for the purpose of agreeing to settle fees, and is not owed any duty of care under this letter.

LIABILITY

Except for loss or damage resulting from death, personal injury, wilful misconduct or fraud, OBE offers a total liability cap of £5 million (the "Liability Cap").

OBE will take all reasonable skill and care in the provision of the services under this engagement letter. OBE acknowledges that:

- OBE owes a duty of care on the terms set out in this engagement letter to the Client in connection with its obligations under this engagement letter; and
- The Client will rely upon the skill and judgement of OBE in connection with all matters for which OBE is responsible hereunder.

OBE has no conflict of interest in carrying out this assignment.

FORCE MAJEURE

Neither the Client nor OBE shall be liable for failure or delay in performing their respective obligations under this letter to the extent that (i) such failure or delay is due to a cause outside the reasonable control of the affected party and (ii) the affected party could not have avoided the failure or delay by taking reasonable precautions. Following such an event, the affected party shall use all reasonable endeavours to resume full performance of its obligations without avoidable delay.

THIRD PARTY RIGHTS

The parties to this letter do not intend that any of its terms are to be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999. To avoid doubt, a person who is the successor to or the permitted assignee of the rights of the Funders is deemed to be a party to this letter.

CORRUPT GIFTS

Other than as provided in this Agreement, OBE shall not, without the prior written consent of the Client, accept or agree to accept (and shall warrant that it has not accepted or agreed to accept) from any person any gift or consideration of any kind as an inducement or reward for doing or having done or not doing any act in relation to the Services or the Additional Services to be provided by OBE in accordance with this Agreement. If there is any breach of this clause, the Client shall be entitled to terminate OBE's appointment immediately without payment to OBE of any sum (whether in respect of the Services or the Additional Services provided by OBE to that date or otherwise) and to recover from OBE the amount of any loss resulting from the breach and the amount or value of any relevant gift or commission.

NO WAIVER

No failure or delay in exercising rights hereunder shall operate as a waiver of such rights in connection with the circumstances to which they relate or any other

circumstances, nor shall any waiver in relation to a particular default operate in relation to any other default.

ASSIGNMENT

This Agreement may not be assigned or the Services sub-contracted by OBE except as permitted elsewhere herein.

The Funders may assign or novate this Agreement and OBE shall enter into such agreement as the Funders may require to give effect to any such assignment or novation.

NEXT STEPS

We would be grateful for your confirmation that you accept the terms of this letter by countersigning and returning this acceptance page.

We look forward to having the opportunity to work with you on this assignment.

David Colver
Director
Operis Business Engineering Limited

Agreed for Balfour Beatty Capital Limited

By.....

Date. 23 FEBRUARY 2011.....

Agreed for Dexia Crédit Local

By.....

Date. 23 FEBRUARY 2011.....

Agreed for Norddeutsche Landesbank Girozentrale

By.....

Date. 23 FEBRUARY 2011.....

Appendix A

TERMS AND CONDITIONS

Terms and Conditions – Financial Due Diligence / Model Audits

March 2008

1. General and Definitions

1.1 The following words shall have the following meanings:

- Agreement = these Terms and Conditions together with the Engagement Letter but excluding any other appendices to the Engagement Letter
- Client = the person or persons acting jointly identified as Client in the Engagement Letter; you or your also refer to the Client
- Addressees = those persons identified in the Engagement Letter who are entitled to receive OBE's Reports and other deliverables as part of the Services
- OBE = Operis Business Engineering Limited; we or our also refer to OBE
- Project = the project identified in the Engagement Letter
- Engagement Letter = the letter between the Client and OBE attached to these terms and conditions
- Services = those services to be delivered by OBE set out in the Engagement Letter
- Reports = the reports identified in the Engagement Letter provision of which forms part of the Services.

1.2 The Agreement shall apply to all services (including the Services) provided by OBE to the Client to the exclusion of any other terms and conditions of any kind.

1.3 No additions or modifications of the Agreement shall have effect unless expressly agreed in writing by OBE and Client and expressed to be amendments to the Agreement.

1.4 The Agreement commences on the earlier of

- the Engagement Letter being signed by the Client and returned to OBE; and
- OBE starting work on the Services.

2. Services

2.1 No modifications to the Services shall have effect unless expressly agreed in writing by OBE and expressed to be amendments to the Agreement.

2.2 Completion of the Services shall be deemed to take place at the sooner of (a) acceptance verbally or in writing of the Services by the Client or (b) delivery by OBE of substantially all the work required as Services.

2.3 In provision of the Services the normal working day is Monday to Friday and seven and a half hours per day, normally nine AM to five thirty PM with an hour for lunch although these hours may be varied by OBE staff to meet individual circumstances.

3. Information and Reports

3.1 Reports are prepared by OBE under instructions from the Client and for the sole use of the Client and any other Addressees. Reports may not be released to any third party without the prior written permission of OBE.

3.2 In providing Services and preparing Reports OBE has relied upon the accuracy and completeness of the information provided to it (excepting the workings of any Model under review and if applicable data/assumptions book) and makes no particular or special enquiries outside of or in addition to such information. OBE accepts no responsibility for any inaccuracy contained in or omission from any Report which has been caused by, arises from or relates to:

- any inaccuracy contained in or omissions from the information provided to it;
- and/or OBE's failure not to make any particular or special enquiries outside of or in addition to the information provided to it.

3.3 The views and opinions expressed in Reports are those of OBE (unless specifically stated otherwise) as at the date of such Reports, and cannot be relied on by any person other than the Client and any other Addressees.

3.4 OBE does not accept any responsibility whatsoever or howsoever arising, whether by reason of inaccuracy or negligence on its part or otherwise, for any loss, damage, cost or expense suffered as a result of reliance by any third party on the contents of Reports.

4. Facilities and Access

4.1 Where appropriate, the Client undertakes to make available at no cost to OBE facilities and access to its or its agents' premises where necessary for OBE to undertake the contracted Services.

5. OBE Staff

5.1 The Client agrees that OBE staff work under the control of OBE, and OBE has the right to replace staff. OBE will use its reasonable endeavours to give advance notice to the Client wherever possible when OBE staff are replaced.

5.2 OBE agrees that the Client has the right to request a change of OBE staff, subject to availability.

6. Intellectual Property

6.1 Subject to 6.2, the Client acknowledges that the intellectual property (copyright, patent rights, design rights or know-how) in any work or Report created for or used in the Services and produced by OBE shall remain vested in OBE.

6.2 Where OBE supplies spreadsheets or code to the Client, the Client may make use of such code for its own internal purposes only insofar as it relates to the Project. OBE reserves the right to re-use sections of the code in other applications.

6.3 OBE retains the right to charge the Client for licences to use the code otherwise than as agreed in the Services.

7. Fees and Payment

7.1 The fees for the provision of Services shall be as set out in the Engagement Letter.

7.2 OBE shall invoice the Client for the Services and its expenses in accordance with the provisions of the Engagement Letter. All invoices are to be paid on presentation.

7.3 Fees are quoted exclusive of VAT. VAT will be charged in accordance with VAT regulations.

7.4 If the Project is abandoned OBE shall charge the Client for the work undertaken to abandonment subject to the extent of any fee cap set out in the Engagement Letter. Abandonment is deemed to occur when the Client informs OBE that the Project has been abandoned, or when 12 months have elapsed without activity on the part of OBE, whichever is the earlier.

7.5 If the Client cancels or terminates the Agreement then OBE reserves the right to charge for the total original quoted value of the Services, this charge being subject to a maximum of the actual time charges and cost of materials/expenses incurred to cancellation. OBE reserves the right to deem the Agreement to have been cancelled or

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terminated when 12 months have elapsed without activity on the part of OBE.

7.6 If any invoice remains unpaid for 30 days or more, the Client may be charged interest upon the outstanding sum at 3% above National Westminster Bank plc's Base Rate, from the due date of the invoice until the outstanding invoice is paid.

8. Confidentiality

8.1 Where information connected with the Client, Project or Services is not in the public domain, OBE undertakes to keep such information confidential and will not disclose it except to Client's other advisers, Addressees or to the extent required by law, regulatory authority or court order.

9. Conflicts of Interest

9.1 In the event that OBE becomes aware of any actual or potential conflict between the interests of any of the persons constituting the Client under this Agreement and those of the Project, OBE shall so notify the Client and/or Project sponsors specifying in general terms the nature of the conflict (but without disclosing details of the conflict unless the person or persons concerned consents to its so doing). The Client and OBE shall forthwith take reasonable steps to agree a suitable course of action to resolve such conflict.

10. Publicity

10.1 Notwithstanding any obligations of OBE under this Agreement or otherwise to maintain the confidentiality of certain information , the Client shall permit OBE to disclose the fact of its assignment for the Client to third parties in the course of self advertising and promotion.

11. Liability

11.1 OBE expressly excludes liability arising from defects or errors in data, calculations, algorithms and/or code which have been provided by other parties; with the exception of such data, calculations, algorithms and/or code which are contained in the financial model under review as described in the Proposal, excluding such data not derived by the financial model itself ("inputs") unless the Proposal specifically includes in the scope of work the requirement for OBE to check inputs to another document or documents ("data/assumptions book").

11.2 OBE's liability, whether in respect of contract tort or otherwise, is limited to £5million sterling in total.. For the removal of doubt, any consequential losses sustained are excluded from this assumption of liability.

11.3 OBE undertakes to maintain sufficient professional indemnity insurance cover in force for a period of not less than 6 years from the date on which all of the Services have been performed, or if earlier, termination of OBE's employment hereunder, subject to continued availability in the insurance markets at commercially reasonable rates and terms.

11.4 The Client shall be liable for any loss, damage or injury to OBE staff or their property which may arise whilst working at the Client's premises.

12. Termination

12.1 Voluntary termination of the Agreement shall be subject to any provisions set out in the Engagement Letter.

12.2 OBE may notwithstanding the above terminate the Agreement immediately by notice in writing to the Client in the event that:-

- the Client is materially in breach of any term of the Agreement; or
- the Client enters into liquidation (whether voluntary or compulsory) or shall have a receiver or administrative receiver appointed over any part or all of its assets or undertaking or shall be the subject of any petition presented to the Court for the appointment of an administrator.

12.3 The Client may notwithstanding the above terminate the Agreement immediately by notice in writing to OBE in the event that:-

- OBE is materially in breach of any term of the Agreement; or
- OBE enters into liquidation (whether voluntary or compulsory) or shall have a receiver or administrative receiver appointed over any part or all of its assets or undertaking or shall be the subject of any petition presented to the Court for the appointment of an administrator.

12.4 In the event of any material breach by the Client of any term of the Agreement, or the Client enters into liquidation (whether voluntary or compulsory) or shall have a receiver or administrative receiver appointed over any part or all of its assets or undertaking or shall be the subject of any petition presented to the Court for the appointment of an administrator all outstanding sums due from the Client to OBE shall immediately become payable and OBE reserves the right to charge for the total original quoted value of the Services, this charge being subject to a maximum of the actual time charges and cost of materials/expenses incurred.

13. Enticement

13.1 The Client agrees that during the period when OBE is providing services (including the Services) to the Client and for a period of 12 months after ceasing to provide such services (including the Services), in relation to members of OBE staff who are materially involved in providing these services (including the Services) it shall not solicit or entice away or seek to entice away from OBE or offer employment or engagement to any such member; or to any senior member of OBE staff whether they are materially involved or not.

13.2 The Client recognises that it will have access to highly trained and qualified staff of OBE. OBE has expended substantial sums of money on its staff. If the Client were to offer employment to its staff, OBE would suffer the substantial costs of replacing such staff. In the circumstances the Client and OBE have agreed that a proper pre-estimate of damage for a breach of 13.1 is 1 year's base salary of such relevant OBE employee.

14. Severability

14.1 Each provision of this Agreement is independent and severable from the remaining provisions and enforceable accordingly. If any provision of this Agreement shall be unenforceable for any reason but would be enforceable if part of the wording thereof were deleted, it shall apply with such deletions as may be necessary to make it enforceable.

15. Miscellaneous

15.1 This Agreement shall be construed under English law and be subject to the exclusive jurisdiction of the English courts.

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