

# **Sponsorship Agreement for the London Cycle Hire Scheme**

Transport Trading Limited

and

Santander UK plc

## CONTENTS

CLAUSE	PAGE
1. DEFINITIONS AND INTERPRETATION .....	3
2. TERM .....	13
3. REPRESENTATIVES AND CONTRACT MANAGEMENT .....	13
4. SPONSORSHIP RIGHTS .....	14
5. EXCLUSIVITY .....	16
6. OBLIGATIONS OF TTL .....	17
7. OBLIGATIONS OF THE SPONSOR .....	20
8. PAYMENT .....	21
9. INTELLECTUAL PROPERTY .....	21
10. ACCESS TO DATA .....	32
11. WARRANTIES .....	34
12. INDEMNITIES .....	35
13. LIMITATION OF LIABILITY .....	37
14. TERMINATION .....	38
15. CONSEQUENCES OF TERMINATION .....	40
16. CONFIDENTIALITY .....	41
17. FREEDOM OF INFORMATION AND DATA TRANSPARENCY .....	44
18. DISPUTE RESOLUTION .....	45
19. GENERAL .....	46
SCHEDULE 1 .....	52
SCHEDULE 2 .....	67
SCHEDULE 3 .....	69
SCHEDULE 4 .....	73
SCHEDULE 5 .....	75
SCHEDULE 6 .....	76

**THIS CONTRACT** is made this            day of February 2015

**BETWEEN:**

- (1) **TRANSPORT TRADING LIMITED** (Company Number: 03914810) with its registered office at Windsor House, 42-50 Victoria Street, London SW1H 0TL ("**TTL**"); and
- (2) **SANTANDER UK PLC** (Company Number: 02294747) with its registered office at 2 Triton Square, Regent's Place, London NW1 3AN (the "**Sponsor**").

**BACKGROUND**

- (A) Transport for London, a statutory corporation created under the Greater London Authority Act 1999 and the ultimate parent company of TTL ('**TfL**'), is responsible for managing transport services across London and for implementing the Mayor of London's transport strategy for London. As part of its duties, TfL operates a cycle hire scheme in London in conjunction with a third party scheme operator.
- (B) TfL (through its wholly owned subsidiary TTL) has the exclusive right to grant naming and sponsorship rights in respect of the London Cycle Hire Scheme (as defined below).
- (C) The Sponsor wishes to acquire naming and sponsorship rights in respect of the London Cycle Hire Scheme.
- (D) Following a competitive process, TTL has agreed to appoint the Sponsor as the naming rights sponsor of the London Cycle Hire Scheme and to grant to the Sponsor (and the Sponsor has agreed to acquire) the naming, sponsorship and other commercial rights relating to the London Cycle Hire Scheme set out in this Contract.

**NOW IT IS HEREBY AGREED** as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Contract, the following expressions shall have the meaning set out against them, unless the context requires otherwise:

**"Additional Sponsor Payment"** means the additional fee, calculated in accordance with schedule 3, payable by the Sponsor in the event of a Qualifying Scheme Change;

**"Advertising Regulation"** means any present or future applicable code of practice, adjudication, decision, guideline, direction or rule of any Advertising

Regulator and includes any applicable modification, extension or replacement thereof in force from time to time;

**"Advertising Regulator"** means any regulator or statutory, regulatory or self-regulatory body in any relevant territory (e.g, in the UK, Advertising Regulators include the Office of Communications ("**Ofcom**"), the Broadcast Committee of Advertising Practice ("**BCAP**"), the Committee of Advertising Practice ("**CAP**"), the Advertising Standards Authority ("**ASA**") and local authority Trading Standards offices);

**"Applicable Laws"** means all applicable laws, legislation, regulations (including Advertising Regulation), statutes, statutory instruments, rules, edicts, by-laws or directions, adjudications, decisions or guidance from government or governmental agencies (including Advertising Regulators and including any rules, regulations, guidelines or other requirements of relevant regulatory authorities) which have the force of law together with any applicable industry or self-regulatory codes of practice published by any industry bodies in effect from time to time;

**"Approval Materials"** means the materials which the Sponsor is required to submit to TTL for approval under clause 7.2(c) (or any other term of this Contract) or the materials which TTL is required to submit to the Sponsor for approval under clause 6.3(d) (or any other term of this Contract), as applicable;

**"Approval Process"** means the process for approval of Approval Materials as set out in schedule 4;

**"Archive Use"** means use of a factually accurate, historical reference to the Sponsor's role under this Contract which does not imply a current association or endorsement;

**"Bicycles"** means the bicycles included within the London Cycle Hire Scheme;

**"Business Day"** means a day (excluding Saturdays, Sundays and bank holidays) when banks are generally open for business in the City of London;

**"Confidential Information"** means all information which is secret or otherwise not publicly available (in both cases either in its entirety or in part), including commercial, financial, marketing or technical information, know-how, trade secrets or business methods, which information is, in all cases, disclosed by one party to the other in connection with this Contract (whether orally or in writing and whether before or after the date of this Contract) and is at the time of the disclosure marked "confidential" or expressed by the party disclosing such information to be confidential or ought reasonably to be regarded as confidential by the party receiving such information;

**"Contract"** means this contract, with the schedules, as may be amended from time to time in accordance with its terms, and such other documents (or parts of documents) as are referred to in it;

**"Composite Logo"** means the logo set out in Part 1 of schedule 2 which comprises the Cycle Hire Roundel and the Sponsor Mark;

**"Contract Information"** means this Contract in its entirety (including from time to time agreed changes to this Contract);

**"Control"** means:

- (a) the legal and beneficial ownership of more than fifty per cent. of the share capital of a party or share capital having the right to cast more than fifty per cent. of the votes capable of being cast in general meetings of such party; or
- (b) the right to determine the composition of a majority of the board of directors (or like body) of a party; or
- (c) "control" (as defined in section 840 of the Income and Corporation Taxes Act 1988) of a party;

**"Core Rights"** means the rights granted by TTL to the Sponsor pursuant to the terms of this Contract, including the naming rights, sponsorship rights, branding rights, promotion rights, publicity rights and ancillary rights, as more particularly described in schedule 1 and includes any alternative rights to the extent that they are agreed and incorporated into this Contract pursuant to clause 4.4(b);

**"Cycle Hire Roundel"** the Roundel set out in Part 2 of schedule 2;

**"Data Protection Legislation"** means the Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003, together with any applicable data protection legislation which may supersede either or both of them during the Term and all associated regulations and statutory instruments, guidance notes and codes of practice issued by the Information Commissioner's Office as amended from time to time;

**"Default Rate"** means the Bank of England base rate plus two per cent. (2%);

**"Dispute"** means a dispute or difference of whatsoever nature between TTL and the Sponsor in relation to the operation or interpretation of, or otherwise in connection with or arising out of, this Contract;

**"Effective Date"** means the date of signature of this Contract;

**"Force Majeure Event"** means any event or circumstance arising from natural causes, human agency or otherwise which is beyond the reasonable control of the parties and which could not have been reasonably foreseen and prevented by the parties and which affects the performance by both or either of the parties of their or its obligations under this Contract including any act of God, war, act of terrorism, explosion, fire, flood, hurricane, strike, lock out or industrial dispute (including, for the avoidance of doubt, a strike, lock out or industrial dispute of either party's employees, agents or sub-contractors);

**"Fraudulent Act"** means:

- (a) committing any offence:
  - (i) under any laws created in respect of fraudulent acts; or
  - (ii) at common law in respect of fraudulent acts in relation to this Contract or any other contract with a Public Sector Body; or
- (b) defrauding or attempting to defraud or conspiring to defraud a Public Sector Body;

**"Initial Term"** means as defined in clause 2.1;

**"Insolvency Event"** means any of the following (or any procedures or proceedings which are analogous to them whether in the Territory or any other jurisdiction):

- (a) a body is, or is deemed for the purposes of any law to be, either insolvent or unable to pay its debts as they fall due;
- (b) a liquidator is appointed to a body or a body enters liquidation (voluntary or otherwise) or requests the appointment of a liquidator to it;
- (c) a court order is made or a resolution passed for the winding up of a body (other than a winding up whilst solvent for the purpose of amalgamation or reconstruction);
- (d) an administration order is made or an administrator is appointed in respect of a body or a material part of the assets;
- (e) any receiver or manager in respect of a body is appointed or possession is taken by or on behalf of any creditor of any property that is the subject of a charge; or
- (f) a voluntary arrangement is made for a composition of debts or a scheme of arrangement is approved under the Insolvency Act 1986 or Companies Act 2006 in respect of a body;

**"Intellectual Property Rights"** means all rights in or in relation to any and all patents, utility models, trade and service marks, designs, get-up, trade, business or domain names, copyright, topography rights, inventions, knowhow and trade secrets, databases, and all other intellectual property rights of a similar or corresponding character, which may now or in the future subsist in any part of the world, in each case whether registered or not and including any applications to register or rights to apply for registration of any of the foregoing and any rights to receive any remuneration in respect of such rights;

**"Keys"** the keys and/or other access devices issued to members of the London Cycle Hire Scheme exclusively for the purpose of accessing Bicycles from docking points;

**"Launch Date"** means 1 May 2015;

**"Launch Plan"** means the plan detailed in schedule 6 which specifies the activities and timescales associated with the launch of the sponsorship and the Launch Date;

**"London Cycle Hire Scheme"** means the cycle hire scheme comprising a fleet of bicycles, docking stations and supporting infrastructure operating within London, as implemented by TfL and/or TTL and the Scheme Operator on behalf of TfL and/or TTL (but excluding, for the avoidance of doubt, any hire scheme relating to electric or motor-assisted bicycles);

**"Maintenance Staff High Visibility Vests"** means the high visibility vests issued to the on-street maintenance technicians working on behalf of TfL, TTL and/or the Scheme Operator in connection with the maintenance and distribution of Bicycles within the London Cycle Hire Scheme;

**"Maintenance Vehicles"** means the vehicles operated by the Scheme Operator on behalf of TfL and/or TTL and used in connection with the provision of maintenance and/or cycle distribution services for the London Cycle Hire Scheme;

**"Prohibited Act"** means:

- (a) offering, giving or agreeing to give to any servant, agent, contractor or representative of a Public Sector Body any gift or consideration of any kind as an inducement or reward:
  - (i) for doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Contract or any other contract with a Public Sector Body; or

- (ii) for showing or not showing favour or disfavour to any person in relation to this Contract or any other contract with a Public Sector Body;
- (b) entering into this Contract or any contract with a Public Sector Body in connection with which commission has been paid or has been agreed to be paid by the Sponsor or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to TTL; or
- (c) committing any offence:
  - (i) under the Prevention of Corruption Acts 1889-1916; or
  - (ii) under the Bribery Act 2010;

**"Public Sector Body"** means all Ministers of the Crown, government departments, crown agencies and authorities, local authorities or similar public sector bodies and any body corporate owned or controlled by any of them (including for the avoidance of doubt TTL and TfL);

**"Qualifying Change of Control"** means a change of Control in favour of a person or company which is an Unsuitable Person;

**"Qualifying Scheme Change"** means a change in the London Cycle Hire Scheme which both (a) comprises a geographical extension in the coverage of the London Cycle Hire Scheme; and (b) results in an increase in the number of Bicycles (compared with the number of Bicycles prior to such change) of more than twenty percent (20%);

**"Renewal Term"** means as defined in clause 2.2;

**"Representative"** means the TTL Representative and the Sponsor Representative, as applicable;

**"Roundel"** means TfL's distinctive roundel shape mark set out in Part 3 of schedule 2 (being the subject of United Kingdom trade mark registration No. 1321443 and Community Trade Mark registration No. 299206);

**"Scheme Name"** means "Santander Cycles";

**"Scheme Operator"** means the service provider engaged by a member of the TfL Group to develop, operate and maintain the London Cycle Hire Scheme, which at the date of this Contract is Serco Limited of Serco House, 16 Bartley Wood Business Park, Bartley Way, Hook, Hampshire RG27 9UY;

**"Sponsor Artwork"** means artwork, comprising the Sponsor Brand and the Sponsor Colour (and, solely to the extent expressly provided for in schedule



1, such other design elements as may be permitted in relation to any Core Right), which is provided to TTL by the Sponsor for use in connection with the exercise or activation of the Core Rights;

**"Sponsor Brand"** means SANTANDER;

**"Sponsor Brand Guidelines"** means the guidelines relating to the use of the Sponsor Brand, the current version of which is attached to this Contract as Annex 1, as the same may be amended by the Sponsor from time to time by (for the purposes of this Contract) the Sponsor notifying TTL reasonably in advance of such amendment and provided that such amendments do not materially interfere with TTL's grant of the Core Rights or the performance of TTL's obligations under this Contract;

**"Sponsor Colour"** means red;

**"Sponsor Default"** means any of the events set out in clause 14.1;

**"Sponsor Direct Competitor"** means any entity of the following type and any brand of such entity in competition with the business conducted by the Sponsor under the Sponsor Brand:

- (i) all retail banks operating globally; and
- (ii) all investment banks operating globally; and
- (iii) all other companies whose primary business comprises operating globally in the capital markets area; and
- (iv) all major credit card companies operating globally; and
- (v) all major insurance companies operating globally; and
- (vi) all private equity houses operating globally; and
- (vii) all other companies whose primary business is within the financial services industry (for example, accountancy & taxation firms, financial consultancy firms, stock-broking and equity trading firms and fund management firms),

together with any brand of any other entity where the primary business of that brand is capital markets or financial services;

**"Sponsor Group"** means Banco Santander S.A. and all its subsidiaries (as defined in section 1159 of the Companies Act 2006) from time to time and reference to any "member of the Sponsor Group" shall refer to the Sponsor, Banco Santander S.A. or any such subsidiary;

**"Sponsor Intellectual Property"** means any Intellectual Property Rights owned by the Sponsor or licensed by the Sponsor from a third party other than a member of the TfL Group, including the Sponsor Marks;

**"Sponsor Intellectual Property Licence"** means the licence granted by the Sponsor to TTL pursuant to clause 9.3;

**"Sponsor Marketing"** means all marketing, communications and promotional materials published, distributed, broadcast, transmitted or otherwise made available (including without limitation, subject to clause 9.7, websites, apps and digital media content), and all advertising, marketing and/or merchandising activities undertaken, in each case by or on behalf of the Sponsor, which make use of the TTL Intellectual Property Licence, involve the exploitation or activation of the Core Rights, make use of the Scheme Name or otherwise relate to the London Cycle Hire Scheme;

**"Sponsor Marks"** means the Sponsor's marks set out in Part 4 of schedule 2;

**"Sponsor Payments"** has the meaning given to it in clause 8;

**"Sponsor Representative"** means the representative appointed by the Sponsor in accordance with clause 3;

**"Street Furniture"** means registration terminals, bicycle docking points and other dedicated infrastructure associated with the London Cycle Hire Scheme excluding, for the avoidance of doubt, Bicycles and Maintenance Vehicles;

**"Suitable Third Party"** means as defined in clause 19.8(e);

**"Surviving Clauses"** means clauses 4.4(a), 4.4(b), 6.4(a), 7.3(b), 9.1, 9.2(g), 9.3(d), 9.3(e), 9.3(f), 9.3(g), 9.4(j), 9.4(k), 9.6, 12, 13, 14.5, 15, 16, 17, 18 and 19 and any other clause which is expressly or by implication intended to survive termination of this Contract;

**"Term"** means the Initial Term and any Renewal Term (subject to earlier termination in accordance with the provisions of this Contract);

**"Territory"** means the United Kingdom of Great Britain and Northern Ireland;

**"TfL Group"** means TfL and all its subsidiaries (as defined in section 1159 of the Companies Act 2006) from time to time and reference to any "member of the TfL Group" shall refer to TfL or any such subsidiary;

**"TTL Guidelines"** means:

- (a) the TfL advertising policy, the current version of which is available at [www.tfl.gov.uk/assets/downloads/businessandpartners/tfl-advertising-policy.pdf](http://www.tfl.gov.uk/assets/downloads/businessandpartners/tfl-advertising-policy.pdf); and

(b) the TfL design standards, the current version of which is available at <http://www.tfl.gov.uk/corporate/media/12523.aspx>,

as the same may be amended by TTL or TfL from time to time by (for the purposes of this Contract) TTL notifying the Sponsor reasonably in advance of such amendment and provided that such amendments do not materially interfere with the Sponsor's ability to exercise or exploit the Core Rights;

**"TTL Intellectual Property"** means any Intellectual Property Rights owned by a member of the TfL Group or licensed by a member of the TfL Group from a third party other than the Sponsor, including the TTL Marks and the Composite Logo (excluding any element of the Composite Logo comprising a Sponsor Mark);

**"TTL Intellectual Property Licence"** means the licence granted by TTL to the Sponsor pursuant to clause 9.2;

**"TTL Marks"** means the Roundel and such other marks of TTL or a member of the TfL Group as are set out in Part 3 of schedule 2;

**"TTL Representative"** means the representative appointed by TTL in accordance with clause 3;

**"TTL Scheme Communications Materials"** means all materials published, distributed, broadcast, transmitted or otherwise made available, by or on behalf of the TfL Group, which relate to the London Cycle Hire Scheme, whether promotional or operational in nature and including TTL Scheme Promotional Materials;

**"TTL Scheme Promotional Materials"** means all "above the line" marketing or promotional materials published, distributed, broadcast, transmitted or otherwise made available to the public by or on behalf of the TfL Group (including London Cycle Hire Scheme merchandise) in relation to the London Cycle Hire Scheme (excluding, for the avoidance of doubt, all operational materials and communications);

**"Transparency Commitment"** means the transparency commitment stipulated by the UK government in May 2010 (including any subsequent legislation) in accordance with which TfL and TTL are committed to publishing their contracts, tender documents and data from invoices received;

**"Unsuitable Person"** means any person or company, or person or company owned or controlled by a person or company who TTL considers (in its absolute discretion):

(a) may have an adverse effect upon the public perception of the London Cycle Hire Scheme;

(b) is not suitable to be associated with the provision of public sector infrastructure;

(c) does not adhere to TTL Guidelines;

(d) is effectively controlled from a country which is, or who is otherwise, the subject of economic or security sanctions imposed by the United Kingdom (including sanctions which take the form of the prevention of the supply of goods or services to the country or restrictions on the freedom of movement of diplomats and/or consular personnel of the country) whether the sanctions are in full force or suspended;

"Year" means a period of twelve (12) calendar months commencing on the Launch Date or any anniversary of the Launch Date.

## 1.2 Interpretation

In this Contract (including the recitals, schedules and appendices), except where expressly stated to the contrary or the context otherwise requires:

(a) a reference to:

(i) a "clause", or "schedule" is to a clause of or schedule to this Contract;

(ii) a "paragraph" in a schedule is to a paragraph in that schedule; and

(iii) an "appendix" means an appendix to a schedule;

(b) the headings to clauses and schedules are for convenience only and shall not affect the interpretation of this Contract;

(c) reference to a statutory provision shall include a reference to:

(i) the statutory provision as modified or re-enacted or consolidated from time to time whether before or after the date of this Contract; and

(ii) any subordinate legislation made under the statutory provision whether before or after the date of this Contract;

(d) reference to a "person" or "persons" includes bodies corporate, statutory bodies, unincorporated associations and partnerships and that person's or those persons' legal personal representatives, successors and permitted assigns;

(e) a "party" means a party to this Contract and shall include its assignees and successors in title if and to the extent permitted in accordance with

this Contract (and a reference to "parties" shall be construed accordingly);

- (f) reference to this Contract or any other agreement or document includes permitted variations, amendments, replacements, novations or supplements to this Contract (including the schedules) and as the case may be, such other agreement or document;
- (g) words importing the singular number only shall include the plural number and vice versa;
- (h) words importing one gender shall include any other gender;
- (i) the words "include" and "including" are to be construed as meaning "including, without limitation"; and
- (j) references to this Contract include the recitals, schedules and appendices hereto.

## 2. **TERM**

2.1 This Contract (and, unless expressly stated otherwise, the rights and obligations of the parties contained in this Contract) shall take effect on the Effective Date and, unless terminated earlier in accordance with its terms, shall continue until the expiry of the period of seven (7) Years from the Launch Date (the "**Initial Term**"), at which point it shall terminate automatically unless renewed by the parties in accordance with clause 2.2.

2.2 The parties may agree to renew this Contract for a period of up to three (3) Years after the expiry of the Initial Term ("**Renewal Term**") upon terms to be agreed between the parties. No later than five (5) Years and six months after the Launch Date, the Sponsor shall contact TfL's Director of Commercial Development to confirm whether the Sponsor wishes to renew this Contract and, if requested by the Sponsor, TTL shall in good faith enter into exclusive negotiations with the Sponsor, for a period of three (3) months from the date of such request to agree terms of the renewed sponsorship. If TTL and the Sponsor have not agreed terms by the expiry of this period, TTL may also, for the avoidance of doubt, negotiate with other potential sponsors (whether alongside or to the exclusion of the Sponsor) for the remainder of the Initial Term.

## 3. **REPRESENTATIVES AND CONTRACT MANAGEMENT**

### 3.1 **Representatives**

Each of TTL and the Sponsor shall appoint a representative with full authority to act on its behalf to perform its functions and to liaise with the other party under this Contract. Each such representative may from time to time be replaced (or an alternate appointed) with at least one week's written

notification to the other party. The Sponsor shall replace its representative on request by TTL.

### **3.2 Contract Management**

The parties and the representatives referred to in clause 3.1 shall comply with schedule 4 in respect of the management of this Contract and the submission of matters for approval under this Contract.

## **4. SPONSORSHIP RIGHTS**

### **4.1 Grant of Core Rights**

- (a) On the terms and subject to the conditions of this Contract and subject, in particular to clauses 4.1(b), 4.2(a) and 4.4, TTL grants to the Sponsor the Core Rights as from the Launch Date, subject to any restrictions or conditions set out in schedule 1.
- (b) For the avoidance of doubt, the parties acknowledge and agree that:
  - (i) notwithstanding clause 4.1(a), TTL's obligations in respect of the implementation of certain Core Rights are as set out in clause 6.1 (and TTL shall not be liable to the extent that the relevant Core Rights are not, or are only partly, available at the Launch Date, save to the extent that it is in breach of clause 6.1);
  - (ii) TTL may activate the Core Rights prior to the Launch Date (as part of the preparation for the Launch Date) in accordance with the Launch Plan;
  - (iii) the Sponsor may activate certain Core Rights prior to the Launch Date subject to TTL's prior written approval of the specific activation proposals (such approval not to be unreasonably withheld or delayed).
- (c) The Core Rights are granted under clause 4.1 for exercise and activation in the Territory in relation to the Sponsor Brand only.
- (d) Neither party shall have the right to change the Scheme Name or the Composite Logo during the Term without the other party's prior written approval (which may be withheld in its discretion).
- (e) The Sponsor shall be entitled to propose changes to the Sponsor Artwork, where relevant, for use on Bicycles (but not for the avoidance of doubt any changes to a brand other than the Sponsor Brand or, save to the extent alternative or additional colours are expressly permitted in schedule 1 in relation to any Core Right, a colour other than the Sponsor Colour) no more than once in each Year (or as otherwise agreed between the parties) and TTL shall not unreasonably withhold

or delay its consent to such changes so long as such changes are at no cost to TTL or any member of the TfL Group and have no material impact on the operation of the London Cycle Hire Scheme. TTL shall not otherwise be obliged to implement changes to the Sponsor Artwork.

#### **4.2 Scheme Changes**

- (a) In the event of a Qualifying Scheme Change, TTL grants to the Sponsor the Core Rights, insofar as they relate to Street Furniture and/or Bicycles added into the London Cycle Hire Scheme as part of such Qualifying Scheme Change, from the date of such Qualifying Scheme Change, subject to payment of the Additional Sponsor Payment.

#### **4.3 Reservation of Rights Not Granted**

All rights and opportunities not expressly granted or provided to the Sponsor under this Contract are reserved by TTL and may be exploited by TTL in its absolute discretion, subject to clauses 4.2 and 5.

#### **4.4 Limitations on Grant of Rights**

- (a) The Sponsor acknowledges and agrees that, unless expressly stated otherwise in this Contract, nothing shall operate to constrain or restrict TfL or TTL's discretion as a public transport provider or the ability of either of them to make operational decisions in respect of the London Cycle Hire Scheme.
- (b) The terms and conditions of this Contract and all licences and rights granted under or in connection with this Contract shall be subject to the requirements of any Applicable Laws. In the event that TTL cannot deliver any Core Rights as a result of any Applicable Laws, TTL shall propose suitable alternative rights for the Core Rights which it is unable to deliver and the parties shall use reasonable endeavours to agree such alternative rights and incorporate them into this Contract as part of the Core Rights, as a variation in accordance with clause 19.4(c).
- (c) TTL shall be entitled (in its sole discretion) and at its cost to:
  - (i) remove the Composite Logo, Sponsor Artwork, Cycle Hire Roundel, Sponsor Colour and/or any other branding, reference to the Scheme Name or Sponsor Intellectual Property Rights from; and
  - (ii) apply any other branding (including, subject to clause 5.1(b), third party branding) and/or colour scheme to:

a maximum of one hundred (100) Bicycles for a maximum period of three (3) months each year for promotional activities.

- (d) If TTL intends to exercise its right under clause (c), it shall provide reasonable advance notice to the Sponsor of the relevant proposals and shall discuss such proposals with the Sponsor if the Sponsor so requests.

## 5. **EXCLUSIVITY**

5.1 Subject to clause 5.2, TTL shall not and shall procure that the TfL Group shall not:

- (a) grant the right to name the London Cycle Hire Scheme to any third party; or
- (b) grant any sponsorship rights in respect of the London Cycle Hire Scheme to any Sponsor Direct Competitor.

5.2 In any case where there is reasonable doubt as to whether a particular entity or brand should (or should not) be deemed to be a Sponsor Direct Competitor in accordance with the provisions of this Contract, TTL and the Sponsor shall each use their reasonable endeavours to work together in good faith to agree whether such entity or brand is or is not a Sponsor Direct Competitor.

5.3 If TTL proposes to grant sponsorship rights in respect of the London Cycle Hire Scheme to a third party (other than a Sponsor Direct Competitor), it shall provide reasonable advance notice to the Sponsor of the relevant proposals and shall discuss such proposals with the Sponsor if the Sponsor so requests.

5.4 The parties acknowledge that the previous sponsor of the London Cycle Hire Scheme is a Sponsor Direct Competitor. It shall not be breach of clause 5.1 (or any other provision of this Contract) if and to the extent that:

- (a) Bicycles, Maintenance Vehicles, Maintenance Staff High Visibility Vests and/or Street Furniture continue to display the previous sponsor's name or branding, or a version of the Roundel which is not the Cycle Hire Roundel and is not in the Sponsor Colour, prior to the completion of the Transition Period;
- (b) Keys issued prior to the Launch Date continue to display the previous sponsor's name or branding.

However, TTL shall not grant any new sponsorship rights in respect of the London Cycle Hire Scheme to such previous sponsor during the Term.

5.5 Nothing in this Agreement shall prevent TTL from granting naming or sponsorship rights in relation to any hire scheme for electric or motor-assisted bicycles, developed or implemented during the Term, save that TTL shall not grant any such naming or sponsorship rights to a Sponsor Direct Competitor. TTL shall provide reasonable advance notice to the Sponsor of the proposal



to grant naming or sponsorship rights in respect of any such scheme and shall discuss such proposals with the Sponsor if the Sponsor so requests.

## 6. OBLIGATIONS OF TTL

### 6.1 Implementation Obligations

TTL shall or shall procure that a member of the TfL Group shall procure (at its cost) the production of the materials containing the Cycle Hire Roundel, Composite Logo and/or Sponsor Artwork (as applicable) to be affixed to Bicycles, Maintenance Vehicles, Maintenance Staff High Visibility Vests, Keys and Street Furniture. TTL shall use reasonable endeavours to comply with the Launch Plan but, in any event, shall or shall procure that a member of the TfL Group shall procure the initial implementation of such materials in accordance with the following process:

- (a) TTL or the relevant member of the TfL Group shall procure that the Scheme Operator ensures that all materials including the branding of the previous sponsor of the London Cycle Hire Scheme are removed, and all applicable materials containing the Cycle Hire Roundel, Composite Logo and/or Sponsor Artwork are affixed, to Bicycles, Maintenance Vehicles, Maintenance Staff High Visibility Vests and Street Furniture where applicable by no later than the expiry of the period of six (6) months from the Effective Date (or such later date as may be agreed in writing between TTL and the Sponsor, acting reasonably) ("**Transition Period**");
- (b) the Sponsor acknowledges and agrees that, during the Transition Period:
  - (i) some or all applicable Street Furniture may continue to display the London Cycle Hire Scheme roundel in the colour which applied prior to the Effective Date;
  - (ii) some or all Bicycles, Maintenance Vehicles, Maintenance Staff High Visibility Vests and terminal screens forming part of the Street Furniture may continue to display the branding and/or artwork in place on such Bicycles, Maintenance Vehicles, Maintenance Staff High Visibility Vests and terminal screens prior to the Effective Date (which may include the branding of the previous sponsor of the London Cycle Hire Scheme), while some or all Bicycles, Maintenance Vehicles, Maintenance Staff High Visibility Vests and terminal screens forming part of the Street Furniture may display the Composite Logo and/or Sponsor Artwork;

and TTL gives no guarantees as to the proportions of each in place in the London Cycle Hire Scheme at any particular time during such Transition Period;

- (c) TTL or the relevant member of the TfL Group shall procure that Keys bearing the Composite Logo are sent to any new members registering for the London Cycle Hire Scheme following the Launch Date;
- (d) TTL or the relevant member of the TfL Group shall procure that new Keys are sent to existing members with a registration for the London Cycle Hire Scheme in place prior to, and continuing at, the Launch Date, by no later than the expiry of the Transition Period (provided that nothing shall oblige TTL or the relevant member of the TfL Group to procure that a new Key is sent to any registered member of the London Cycle Hire Scheme whose membership expires or is terminated (and is not renewed) within such Transition Period);
- (e) nothing in this Contract shall oblige any party to recall any existing Keys.

## 6.2 Operational Obligations

TTL shall or shall procure that a member of the TfL Group shall:

- (a) operate, or procure that the Scheme Operator operates, the London Cycle Hire Scheme, in a form with, as a minimum (subject to normal operational and maintenance activity), materially the same scale and geographical coverage as at the Effective Date, throughout the Term except in the following circumstances:
  - (i) shutdowns for maintenance or other operational reasons;
  - (ii) closure due to the risk or effects of any Force Majeure Event, which closure shall be only for so long as TTL or the relevant member of the TfL Group cannot operate the London Cycle Hire Scheme (or cannot safely operate the London Cycle Hire Scheme in accordance with all Applicable Laws) due to such Force Majeure Event;
  - (iii) closure required for the purpose of activating any of the Core Rights;
  - (iv) closure required in connection with the transition of the London Cycle Hire Scheme to a new Scheme Operator;
- (b) ensure that the London Cycle Hire Scheme complies with all Applicable Laws;

- (c) procure that the Scheme Operator maintains to a reasonable standard the materials containing the Cycle Hire Roundel, Composite Logo or Sponsor Artwork (as applicable) which are affixed to Bicycles, Maintenance Vehicles, Maintenance Staff High Visibility Vests and Street Furniture (as applicable).

In the event that the circumstances set out in clauses 6.2(a)(i), (ii), (iii) or (iv) apply, TTL shall:

- (d) notify the Sponsor of the relevant shutdown or closure (where such shutdown or closure affects all or a significant part of the London Cycle Hire Scheme);
- (e) keep the Sponsor reasonably informed as to the progress of efforts to re-open the London Cycle Hire Scheme (where such shutdown or closure affects all or a significant part of the London Cycle Hire Scheme);
- (f) in any event, use reasonable endeavours to:
  - (i) minimise the duration of any shutdown or closure; and
  - (ii) consider whether it is practicable to close or shutdown individual docking stations, take part only of the fleet of Bicycles out of service or otherwise handle the relevant issue in a way which avoids the closure or shutdown of all or a significant part of the London Cycle Hire Scheme.

### **6.3 Public Relations, Promotion and Marketing**

TTL shall and shall procure that each member of the TfL Group shall:

- (a) ensure that all TTL Scheme Communications Materials comply with all Applicable Laws;
- (b) use the Scheme Name in all TTL Scheme Communications Materials, in all public announcements made by the TfL Group's senior executives and official spokespeople in relation to the London Cycle Hire Scheme and in scripts prepared for use in the TfL Group's call centres relating to the London Cycle Hire Scheme;
- (c) use all reasonable endeavours to include the Composite Logo in all TTL Scheme Communications Materials (where practicable to include such logo in the relevant media); and
- (d) submit all TTL Scheme Promotional Materials to the Approval Process.

### **6.4 Sponsor Intellectual Property Rights and Reputation**

TTL shall and shall procure that each member of the TfL Group shall:

- (a) not use or authorise the use of any Sponsor Intellectual Property Rights, except to the extent they are licensed to TTL in accordance with this Contract;
- (b) not do anything which has the effect of bringing the Sponsor or the Sponsor Intellectual Property Rights into disrepute.

## **7. OBLIGATIONS OF THE SPONSOR**

### **7.1 Implementation Obligations**

The Sponsor shall:

- (a) produce and provide to TTL, at its own cost, all designs and artwork necessary for the Core Rights within such print deadlines as are reasonably specified by TTL to enable the delivery of the Core Rights in accordance with this Contract;
- (b) be responsible for all costs incurred in activating the Core Rights, initially and throughout the Term, save to the extent that such costs are expressly stated to be the responsibility of TTL in clause 6.1, 6.2(c) or elsewhere in this Contract.

### **7.2 Public Relations, Promotion and Marketing**

The Sponsor shall:

- (a) ensure that all Sponsor Marketing complies with all Applicable Laws;
- (b) use the Scheme Name and the Composite Logo in all Sponsor Marketing;
- (c) submit all representations of the Composite Logo and all Sponsor Marketing to the Approval Process.

### **7.3 TTL Intellectual Property Rights and Reputation**

The Sponsor shall:

- (a) not, without the prior approval of TTL in writing, engage in any joint promotional activity to exploit the Core Rights or otherwise exploit any of the Core Rights with or in connection with:
  - (i) any brand other than the Sponsor Brand; or
  - (ii) the products or services of any third party;

- (b) not use or authorise the use of any TTL Intellectual Property Rights, save only to the extent they are licensed to the Sponsor in accordance with this Contract;
- (c) not do anything which has the effect of bringing TTL, any member of the TfL Group or the TTL Intellectual Property Rights into disrepute.

## 8. PAYMENT

### 8.1 Sponsor Payments

The Sponsor shall pay the amounts set out in schedule 3 (the "**Sponsor Payments**") into an account notified by TTL in the sums and on the dates set out in schedule 3.

### 8.2 Invoicing

TTL shall provide the Sponsor with valid VAT invoices for the Sponsor Payments.

### 8.3 VAT

All references to payments made under this Contract are references to such payments exclusive of VAT, which shall be payable by the Sponsor in addition, at the same time as the payment to which such VAT relates.

### 8.4 Late Payments

- (a) Any amount that is properly due from either party to the other pursuant to this Contract which remains unpaid after the date when payment becomes due shall bear interest at the Default Rate, such interest to accrue from day to day from and including the date when payment was due up to and excluding the date of actual payment.
- (b) Interest shall accrue in respect of amounts determined to be payable by a decision of the Dispute Resolution Procedure from the due date of the original underpayment or overpayment as the case may be.

## 9. INTELLECTUAL PROPERTY

### 9.1 Ownership of Intellectual Property Rights

- (a) All Intellectual Property Rights in and to:
  - (i) the Cycle Hire Roundel;
  - (ii) the TTL Marks; and
  - (iii) the Composite Logo (save only to the extent that it incorporates any one or more Sponsor Marks);

together with any other TTL Intellectual Property, any and all goodwill attaching to any of them and the exclusive right to obtain worldwide protection for any of them shall at all times belong exclusively to TTL.

- (b) Nothing in this Contract shall operate to transfer, or (save only to the extent expressly set out in this clause 9) to grant any right or interest in or to, any TTL Intellectual Property to the Sponsor.
- (c) All Intellectual Property Rights in and to the Sponsor Marks, together with any other Sponsor Intellectual Property, any and all goodwill attaching to any of them and the exclusive right to obtain worldwide protection for any of them shall at all times belong exclusively to the Sponsor.
- (d) Nothing in this Contract shall operate to transfer, or (save only to the extent expressly set out in this clause 9) to grant any right or interest in or to, any Sponsor Intellectual Property to TTL.

## 9.2 **TTL Intellectual Property Licence**

- (a) TTL hereby grants to the Sponsor, or shall procure the grant to the Sponsor of (as the case may be), a non-exclusive, royalty free licence to use, throughout the Term, such rights as the TfL Group may have in:
  - (i) the Cycle Hire Roundel but only to the extent that it is incorporated into the Composite Logo;
  - (ii) any other TTL Intellectual Property comprised in the Composite Logo;
  - (iii) any TTL Intellectual Property comprised in the Scheme Name;

to the extent necessary in connection with the exercise and activation of the Core Rights in the Territory in accordance with this Contract and subject to the Sponsor's compliance with the terms and conditions of this clause 9.

- (b) For the avoidance of doubt, the licence granted pursuant to clause 9.2(a) does not include any right to, and the Sponsor undertakes that it shall not use the Cycle Hire Roundel, other than as part of the Composite Logo;
- (c) The Sponsor shall be entitled to grant sub-licences to third parties only to the extent necessary to enable the Sponsor to exercise and/or activate the Core Rights in the Territory. However, the Sponsor shall in such event:

- (i) remain responsible for compliance with all of its obligations and responsibilities (including confidentiality) under this Contract and for any breach of this Contract;
- (ii) not disclose to any such third party any Confidential Information unless that third party enters into a confidentiality agreement including terms no less restrictive than those set out in clause 16.

The Sponsor shall not otherwise assign or sub-license the TTL Intellectual Property Licence.

- (d) The Sponsor shall and shall require that any authorised sub-licensees shall, in using any Intellectual Property Rights licensed pursuant to the TTL Intellectual Property Licence:
  - (i) comply with the TTL Guidelines and otherwise observe any other reasonable directions or guidelines given by TTL to the Sponsor in advance regarding the use of Intellectual Property Rights licensed pursuant to the TTL Intellectual Property Licence;
  - (ii) ensure that all products and services marketed or provided by the Sponsor with reference to the Scheme Name, Composite Logo or any Core Rights comply with:
    - (A) high industry standards and quality;
    - (B) all Applicable Laws;
- (e) The Sponsor's use of the Cycle Hire Roundel and any other TTL Mark incorporated into the Composite Logo will be for TTL's benefit and any and all goodwill accrued to the Sponsor by its use thereof will accrue to and be held in trust by the Sponsor for TTL, and the Sponsor will (at no cost to TTL) assign such goodwill to TTL (or a member of the TfL Group nominated by TTL) on request (and, to the extent possible, does hereby so assign the same by way of future assignment).
- (f) Any and all goodwill accrued to the Sponsor by its use of the Sponsor Mark within the Composite Logo and the Scheme Name will accrue to the Sponsor.
- (g) TTL will, as the Sponsor may request from time to time (including by signing any necessary documents) and at no cost to TTL or any member of the TfL Group, provide reasonable assistance to enable the Sponsor (if applicable) to record the Sponsor and/or each permitted sub-licensee under the TTL Intellectual Property Licence as a licensee under the TTL Intellectual Property Licence, and on termination of this Contract (or the termination of any applicable run-off period under clause 15.2) to record its cancellation on any register.

### 9.3 Sponsor Intellectual Property Licence

(a) The Sponsor shall procure the grant to TTL of (as the case may be), a non-exclusive, royalty free licence from Banco Santander S.A. to use, throughout the Term:

- (i) the Sponsor Marks;
- (ii) the Sponsor Brand;
- (iii) the Sponsor Artwork;
- (iv) any other Sponsor Intellectual Property provided to TTL;

to the extent necessary in connection with the grant of the Core Rights and the activation of the Core Rights by or on behalf of the Sponsor (including to the extent necessary for TTL and the TfL Group to produce and distribute any TTL Scheme Communications Materials in accordance with this Contract) and subject to TTL's compliance with the terms and conditions of this clause 9.

(b) The Sponsor shall procure the grant of sub-licences, to third parties engaged by TTL, of the Intellectual Property Rights included in the licence procured in accordance with clause 9.3(a), to the extent that TTL reasonably deems it necessary in connection with the grant of the Core Rights and the implementation of the Core Rights by or on behalf of the Sponsor. The initial list of third parties to which such a sub-licence will be granted is as set out in the form of licence to be procured in accordance with this clause 9.3(b). Additional third parties selected by TTL (in its discretion) from time to time during the Term shall be added into the licence subject to the approval of Banco Santander S.A. (which the Sponsor shall use reasonable endeavours to procure is not unreasonably withheld or delayed), failing which the provisions of clause 9.3(d) shall apply. TTL shall, in the event of sub-licensing in accordance with this clause 9.3(b):

- (i) remain responsible for compliance with all of its obligations and responsibilities (including confidentiality) under this Contract and for any breach of this Contract; and
- (ii) not disclose to any such third party any Confidential Information of the Sponsor unless that third party enters into a confidentiality agreement including terms no less restrictive than those set out in clause 16.

TTL shall not otherwise assign or sub-license the Sponsor Intellectual Property Licence.



- (c) Subject to clauses 4.1(d) and 4.1(e), TTL shall and shall require that any authorised sub-licensees shall, in using any Intellectual Property Rights licensed pursuant to the Sponsor Intellectual Property Licence, comply with the Sponsor Brand Guidelines and otherwise observe any other reasonable directions or guidelines given by the Sponsor to TTL in advance regarding the use of Intellectual Property Rights licensed pursuant to the Sponsor Intellectual Property Licence.
- (d) TTL shall have no liability for any failure to perform, or delay in performing, its obligations under this Contract (including any failure to deliver, or delay in delivering, the Core Rights), to the extent such failure arises as a result of:
  - (i) TTL not having, or ceasing to have, the benefit of the licence described in clause 9.3(a);
  - (ii) any third party, which TTL reasonably determines needs the benefit of a sub-licence in accordance with clause 9.3(b), not having or ceasing to have the benefit of such sub-licence;
- (e) TTL 's use of any Sponsor Mark incorporated into the Composite Logo and any other Sponsor Mark will be for the Sponsor's benefit and any and all goodwill accrued to the Sponsor by its use thereof will accrue to and be held in trust by TTL for the Sponsor, and TTL will (at the Sponsor's cost) assign such goodwill to the Sponsor on request (and, to the extent possible, does hereby so assign the same by way of future assignment).
- (f) Any and all goodwill accrued to TTL by its use of (i) the Cycle Hire Roundel or any other TTL Mark within the Composite Logo; and/or (ii) the Scheme Name (excluding only the Sponsor Brand) will accrue to TTL.
- (g) The Sponsor will, as TTL may request from time to time (including by signing any necessary documents) and at no cost to the Sponsor, provide reasonable assistance to enable TTL to record TTL and/or each permitted sub-licensee under the Sponsor Intellectual Property Licence as a licensee under the Sponsor Intellectual Property Licence, and on termination of this Contract (or the termination of any applicable run-off period under clause 15.2) to record its cancellation on any register.

#### 9.4 **Registration and Use**

- (a) The Sponsor shall seek TTL's prior written approval before registering the Scheme Name as a trade mark in any jurisdiction (such approval not to be unreasonably withheld or delayed). Any application for such a trade mark and any registered trade mark in relation to the Scheme

Name shall be deemed to be a Sponsor Mark, for the purposes of this Contract, from the date of such application or registration (as applicable).

- (b) The Sponsor shall not register nor seek to register, as a trade mark, in any jurisdiction, or as a domain name (as applicable), any sign identical with or confusingly similar to the TTL Marks.
- (c) The Sponsor shall not at any time do, or permit to be done, any act or thing which in any way may impair the rights of TTL in any TTL Intellectual Property or invalidate the registration of any of them (if registered).
- (d) The Sponsor shall not represent that it has any title to, or right of ownership in, any TTL Intellectual Property or any Composite Logo (save for the part of any Composite Logo comprising a Sponsor Mark).
- (e) TTL shall not register nor seek to register, as a trade mark, in any jurisdiction, or as a domain name (as applicable), any sign identical with or confusingly similar to the Sponsor Marks (save that TTL may use the Scheme Name in a sub-domain or username in accordance with clause 9.7).
- (f) TTL shall not at any time do, or permit to be done, any act or thing which in any way may impair the rights of the Sponsor in any Sponsor Intellectual Property or invalidate the registration of any of them (if registered).
- (g) TTL shall not represent that it has any title to, or right of ownership in, any Sponsor Intellectual Property.
- (h) The Sponsor shall use the Scheme Name, Composite Logo, Cycle Hire Roundel and any TTL Marks only to the extent permitted under this Contract and in a manner in keeping with and seeking to maintain the distinctiveness and reputation of the Scheme Name, Composite Logo, Cycle Hire Roundel and TTL Marks as reasonably determined by TTL and as soon as reasonably practicable cease any use not consistent with its obligations under this clause, as TTL may reasonably require from time to time.
- (i) TTL shall use the Sponsor Marks only to the extent permitted under this Contract and in a manner in keeping with and seeking to maintain the distinctiveness and reputation of the Sponsor Marks as reasonably determined by the Sponsor and as soon as reasonably practicable cease any use not consistent with its obligations under this clause, as the Sponsor may reasonably require from time to time (provided that the parties acknowledge and agree that it shall not, without limitation, be reasonable, under this clause, for the Sponsor to require the

removal or replacement of materials affixed to Bicycles, Maintenance Staff High Visibility Vests, Maintenance Vehicles, Keys or any other infrastructure where such materials were approved, and (if applicable) affixed and maintained in accordance with this Contract).

- (j) Nothing in this Contract shall prevent TTL or any member of the TfL Group from using any elements of the Scheme Name, save only the part of the Scheme Name which comprises the Sponsor Brand (and including, for example, the words "cycle hire"), for any purpose (including the operation of the London Cycle Hire Scheme following the termination or expiry of this Contract), whether during the Term or following the termination or expiry of this Contract.
- (k) The Sponsor shall not use or grant to any third party the right to use the Scheme Name or anything confusingly similar to identify anything other than the London Cycle Hire Scheme:
  - (i) in the United Kingdom during the Term; or
  - (ii) (without prejudice to clauses 9.4(i) or 15) in Greater London either during the Term or for the period of two (2) years following the expiry or termination of this Contract.

## 9.5 Enforcement

- (a) TTL may (but is not obliged to) at its own cost take action in relation to any threatened or actual infringement of the TTL Intellectual Property Rights.
- (b) TTL shall promptly notify the Sponsor of any threatened or actual infringement of the Composite Logo or claim or allegation that the Composite Logo may infringe (or, to the extent that it may affect the Composite Logo, any threatened or actual infringement of the TTL Marks or claim or allegation that the TTL Marks may infringe) and shall, if requested by the Sponsor, meet with the Sponsor to discuss the action each party proposes to take in respect of such infringement, claim or allegation.
- (c) The Sponsor may (but is not obliged to) at its own cost take action in relation to any threatened or actual infringement of the Sponsor Intellectual Property Rights.
- (d) The Sponsor shall promptly notify TTL of any threatened or actual infringement of the Composite Logo or claim or allegation that the Composite Logo may infringe (or, to the extent that it may affect the Composite Logo, any threatened or actual infringement of the Sponsor Marks or claim or allegation that the Sponsor Marks may infringe) and shall, if requested by TTL, meet with TTL to discuss the action each

party proposes to take in respect of such infringement, claim or allegation.

## 9.6 Termination

- (a) On termination or expiry of this Contract, for whatever reason, without prejudice to TTL's rights in TTL Intellectual Property and the Sponsor's rights in Sponsor Intellectual Property and subject to clause 9.6(b), the TTL Intellectual Property Licence and the Sponsor Intellectual Property Licence shall terminate and neither party shall have any further right to use the Composite Logo or any Intellectual Property Rights of the other party (save only strictly to the extent that any such licence needs to continue to allow for the run-off arrangements set out in clause 15.2).
- (b) Each party agrees that, following termination or expiry of this Contract and without prejudice to TTL's rights in TTL Intellectual Property and the Sponsor's rights in Sponsor Intellectual Property, the other party may continue to use the Scheme Name and the Composite Logo solely for Archive Use. Such right shall not include any rights to sub-license the use of the Scheme Name or the Composite Logo.

## 9.7 Domain names and social media

- (a) The parties acknowledge and agree that TTL shall have the right to use any sub- domain or any username in digital or social media, which incorporates the Scheme Name (or anything which is a mis-spelling of or is confusingly similar to the Scheme Name).
- (b) The Sponsor shall not (and shall procure that no other member of the Sponsor Group shall) register any domain name, or use any username in digital or social media, which incorporates the Scheme Name (or anything which is a mis-spelling of or is confusingly similar to the Scheme Name) without TTL's prior written consent. Without prejudice to clause 9.7(a), TTL shall not register any domain name incorporating the Scheme Name without the Sponsor's prior written consent (not to be unreasonably withheld or delayed).
- (c) Notwithstanding clause 9.7(b), if TTL so requests, the Sponsor shall (or shall use reasonable endeavours to procure that Banco Santander S.A shall) register domain names incorporating the Scheme Name (or anything which is a mis-spelling of or is confusingly similar to the Scheme Name). The Sponsor shall ensure that:
  - (i) such domain names shall (save to the extent that TTL agrees otherwise in writing) function solely as redirects to TTL's sub-domain governing the London Cycle Hire Scheme;

- (ii) following the termination or expiry of this Agreement, the Sponsor or Banco Santander S.A. shall (at the option of TTL) abandon such domain names or maintain for two (2) years following the expiry or termination of this Contract (or such other period as is agreed between the parties in writing, acting reasonably), such domain names solely as redirects to TTL's sub-domain governing the London Cycle Hire Scheme.
- (d) The Sponsor shall not establish any social or digital media presence in relation to the London Cycle Hire Scheme which may be confused with TTL's or TfL's official channels for communications regarding the operation of the London Cycle Hire Scheme. The Sponsor shall seek TTL's approval to any proposals for new pages, feeds or digital media channels at an early stage.

## 9.8 **Merchandising**

- (a) The Core Rights (and the TTL Intellectual Property Licence) include the right to conduct merchandising activity in connection with the Sponsor's sponsorship of the London Cycle Hire Scheme but only to the extent expressly provided for in this clause 9.8. The Sponsor shall not otherwise:
  - (i) engage in, or authorise any third party to engage in, merchandising activity in connection with the London Cycle Hire Scheme; or
  - (ii) develop or authorise a third party to develop any product or service solely or primarily branded with the Composite Logo or the Scheme Name.
- (b) The right in clause 9.8(a) extends only to items of merchandise which:
  - (i) bear the Composite Logo;
  - (ii) are given away free of charge for promotional purposes; and
  - (iii) have been approved by TTL in accordance with this clause and the Approval Process.

The Sponsor shall, for the avoidance of doubt, have no right to engage in any other merchandising activity in connection with the London Cycle Hire Scheme or this Contract, including without limitation merchandising activity which involves the sale of merchandise items.

- (c) The Sponsor shall seek TTL's prior written approval of any merchandising concepts under this clause 9.8 and shall ensure that the relevant request for approval includes full details of the concept, the

manner in which the Sponsor proposes to use the merchandise items and the number of such items to be given away. TTL shall not unreasonably withhold its approval to any such concepts, so long as they are in accordance with this clause 9.8, but it shall be reasonable for TTL to:

- (i) withhold its approval in the event that TTL reasonably believes that any such merchandising would or may conflict with the merchandising plans of TTL, or another member of the TfL Group (including the for the purposes of this clause 9.8(c), the London Transport Museum);
  - (ii) condition its approval on the Sponsor sourcing the relevant merchandise items from an existing merchandise licensee or preferred supplier to TTL, or another member of the TfL Group;
- (d) Following general approval of any merchandising concept in accordance with clause 9.8(c), the Sponsor shall submit for specific approval (not to be unreasonably withheld or delayed):
- (i) three (3) samples of any proposed merchandise item;
  - (ii) any packaging or artwork intended to be used in connection with the merchandise item.
- (e) The Sponsor shall procure that all merchandise items which it submits for approval or distributes under this clause:
- (i) include the Composite Logo as a primary graphic element;
  - (ii) do not include any corporate names or trade marks other than the Composite Logo and the Sponsor Marks, save to the extent approved by TTL (such approval not to be unreasonably withheld or delayed);
  - (iii) are of good quality and in compliance with all Applicable Laws;
  - (iv) do not adversely affect the reputation of the London Cycle Hire Scheme or any member of the TfL Group;
  - (v) are manufactured in accordance with any ethical sourcing policy notified to the Sponsor by TTL;
- (f) The Sponsor Intellectual Property Licence includes the right for TTL, or another member of the TfL Group, to use:
- (i) the Sponsor Marks;
  - (ii) the Sponsor Brand;

(iii) any other Sponsor Intellectual Property provided to TTL;

in each case, solely to the extent that they are incorporated into the Composite Logo or the Sponsor Artwork or are displayed on the Bicycles, Maintenance Vehicles or Street Furniture; and

(iv) the Sponsor Artwork;

in connection with merchandising activity relating to the London Cycle Hire Scheme but only to the extent expressly provided for in this clause 9.8.

- (g) The right in clause 9.8(f) extends only to items of merchandise which have been approved by the Sponsor in accordance with this clause and the Approval Process (and, for the avoidance of doubt, the parties acknowledge and agree that any such approval may be conditioned on the agreement of reasonable revenue sharing or royalty arrangements in relation to the relevant merchandise making use of rights licensed under the Sponsor Intellectual Property Licence).
- (h) TTL shall seek the Sponsor's prior written approval of any merchandising concepts which include Intellectual Property Rights licensed under the Sponsor Intellectual Property Licence and shall ensure that the relevant request for approval includes full details of the concept, the manner in which the TTL proposes to use the merchandise items and the number of such items forecast to be sold or otherwise distributed.
- (i) Following general approval of any merchandising concept in accordance with clause 9.8(h), TTL shall submit for specific approval (not to be unreasonably withheld or delayed):
- (i) three (3) samples of any proposed merchandise item;
  - (ii) the appearance of any Intellectual Property Rights licensed under the Sponsor Intellectual Property Licence on any packaging or artwork intended to be used in connection with the merchandise item.
- (j) TTL shall procure that all merchandise items making use of any Intellectual Property Rights licensed under the Sponsor Intellectual Property Licence which it submits for approval or distributes under this clause:
- (i) do not include any corporate names or trade marks other than the TfL Marks, the Cycle Hire Roundel and/or the Composite Logo and the name of the relevant manufacturer or merchandise

licensee, save to the extent approved by the Sponsor (such approval not to be unreasonably withheld or delayed);

- (ii) are of good quality and in compliance with all Applicable Laws;
- (iii) do not adversely affect the reputation of the Sponsor.

(k) Nothing in this Contract shall:

- (i) oblige TTL, or any other member of the TfL Group, to produce or distribute any merchandise relating to the London Cycle Hire Scheme;
- (ii) prevent or restrict TTL, or any other member of the TfL Group, from producing and/or distributing, or authorising a third party to produce and/or distribute merchandise in relation to the London Cycle Hire Scheme which does not include the Composite Logo or any Intellectual Property Rights licensed under the Sponsor Intellectual Property Licence.

## 10. ACCESS TO DATA

10.1 TTL and the Sponsor will work together in compliance with Data Protection Legislation to achieve the following within one month of the Effective Date:

- (a) to agree a form of consent for use in accordance with clause 10.5, which allow the Sponsor to market through separate identifiable channels including e-mail, mail and other electronic messaging;
- (b) to explore and agree alternative methods to gain consents for the Sponsor to contact existing members who registered for the London Cycle Hire Scheme in the period before the Effective Date, including competitions.

10.2 In this clause 10, the terms data controller, data processor, data subject, personal data, sensitive personal data and processing shall be as defined in the Data Protection Act 1998 and 'Data' shall mean the personal data and (if applicable) sensitive personal data provided by TTL to the Sponsor pursuant to this clause 10.

10.3 The parties acknowledge that they will not control the Data jointly. TTL will be the sole data controller of the Data it collects and the Sponsor will be the sole data controller of copy Data disclosed to it under this clause 10 by TTL.

10.4 The parties shall comply with all Data Protection Legislation.

10.5 TTL shall ensure that individuals registering for the London Cycle Hire Scheme are, as from [the date which is ten (10) Business Days from the date on which the relevant form of consent is agreed pursuant to clause 10.1(a)



(‘**Data Transfer Commencement Date**’), given the opportunity to consent to the Sponsor’s use of the personal data which they provide, as part of the registration process, for direct marketing purposes. The nature and form of such consent shall be as agreed between the parties.

- 10.6 Subject to the Sponsor’s compliance with this clause 10, every three (3) months commencing on the date which is three (3) months following the Data Transfer Commencement Date, TTL shall transfer to the Sponsor, free of charge and on a perpetual and royalty free basis, and in a format agreed between the parties (acting reasonably), the contact details of individuals registering to use the London Cycle Hire Scheme who TTL reasonably determines have given sufficient consent to such transfer to the Sponsor for the purposes set out in clause 10. The Sponsor acknowledges and agrees that some such individuals may leave fields blank because not all fields are mandatory.
- 10.7 TTL shall, at its option, transfer either an update to the list of contact details which was transferred in previous months or a complete list of contact details previously transferred and due to be transferred in accordance with this clause 10.
- 10.8 The Sponsor acknowledges and agrees that the contact details transferred by TTL pursuant to this clause 10 shall be the minimum personal data necessary for the purpose set out in clause 10.10.
- 10.9 In advance of creating new databases of users of the London Cycle Hire Scheme which contain Data, TTL will meet with the Sponsor and (acting reasonably) consider whether clause 10 can be extended to cover the new database and agree applicable consents. The Sponsor acknowledges and agrees that, subject to the first sentence of this clause 10.9 and to clause 10.1(b), nothing in this Contract shall oblige TTL to give users of the London Cycle Hire Scheme, other than those individuals registering to use the London Cycle Hire Scheme following the date set out in clause 10.5, the opportunity to consent to the Sponsor’s use of their personal data or to transfer any personal data relating to such users to the Sponsor.
- 10.10 The Sponsor agrees to use the Data for the purpose of sending the Sponsor’s own direct marketing only (in any form) to the relevant data subjects and not for any other purpose whatsoever (other than to the extent that it is related to any negotiation or contract between the Sponsor and the relevant data subject resulting from such marketing).
- 10.11 The Sponsor shall ensure that it uses the most up to date version of the Data provided by TTL pursuant to this clause 10.
- 10.12 The Sponsor acknowledges and agrees that it is responsible on a continuing basis for ensuring that the Data is accurate and up-to-date.

- 10.13 Without prejudice to its other rights and remedies under this Contract, TTL shall be entitled to suspend transfers of Data under this clause 10 in the event that the Sponsor is in material breach of this clause 10 or subject to enforcement action by a regulatory body as a result of its unlawful processing of personal data.
- 10.14 In addition to its rights under this clause 10, the Sponsor is entitled to contact, via content approved by TTL via the Approval Process and incorporated into TTL Scheme Promotional Materials, current registered members of the London Cycle Hire Scheme up to two times per Year in relation to the Sponsor's London Cycle Hire Scheme related offers and promotions.

## 11. **WARRANTIES**

### 11.1 **Sponsor's Warranties**

The Sponsor represents and warrants to TTL that:

- (a) the Sponsor is duly incorporated and validly existing under the laws of England;
- (b) this Contract has been validly entered into by the Sponsor and creates legally binding obligations upon the Sponsor; and
- (c) no litigation, arbitration or administrative proceeding is current, pending or threatened to restrain the entry into, exercise of any of its rights under and/or performance or enforcement of or compliance with any of its obligations under this Contract;
- (d) as at the date hereof neither the signing and delivery of this Contract nor the performance of any of the transactions contemplated in this Contract will:
  - (i) contravene or constitute a default under any provision contained in any laws or regulations to which it is subject or any agreement or instrument by which the Sponsor or any of its assets is bound or affected; or
  - (ii) cause any limitation on the Sponsor or the powers of its directors, whether imposed by or contained in any document which contains or established its constitution or in any laws or regulations to which it is subject or any agreement or instrument by which the Sponsor or any of its assets is bound or affected to be exceeded;
- (e) in entering into this Contract it has not committed any Prohibited Act or fraudulent activity.

### 11.2 **TTL's Reliance**

The Sponsor acknowledges that TTL has entered into this Contract in full reliance on the representations and warranties of the Sponsor set out in clause 11.1.

### 11.3 **TTL's Warranties**

TTL represents and warrants to the Sponsor that:

- (a) TTL is duly incorporated and validly existing with limited liability under the laws of England;
- (b) this Contract has been validly entered into by TTL and creates legally binding obligations upon TTL.

### 11.4 **Sponsor's Reliance**

TTL acknowledges that the Sponsor has entered into this Contract in full reliance on the representations and warranties of TTL set out in clause 11.3.

## 12. **INDEMNITIES**

### 12.1 **Sponsor Indemnity**

The Sponsor shall indemnify and keep indemnified TTL, TfL, the Scheme Operator, and their officers, employees and sub-contractors from and against all claims, damage, losses, costs and expenses (including legal and other professional fees) arising out of or in connection with:

- (a) breaches of Data Protection Legislation by the Sponsor including arising out of the use by the Sponsor of any personal data transferred to the Sponsor in accordance with this Contract;
- (b) TTL's use of the Sponsor Marks, the Scheme Name, the Composite Logo and the Sponsor Intellectual Property in accordance with the terms of this Contract infringing the rights of any third party (save to the extent such infringement arises as a result of an element of the Composite Logo which comprises any TTL Mark);
- (c) any use of the Composite Logo or any TTL Intellectual Property by the Sponsor other than in accordance with this Contract; and/or
- (d)
  - (i) claims by third parties; and
  - (ii) death or injury or damage to property,

arising from the negligence, breach or default of the Sponsor or otherwise arising from the performance or non-performance of the Sponsor's obligations and undertakings contained in this Contract.

## 12.2 TTL Indemnity

TTL shall indemnify and keep indemnified the Sponsor, its officers, employees and sub-contractors from and against all claims, damage, losses, costs and expenses (including legal and other professional fees) arising out of or in connection with:

- (a) the Sponsor's use of the Composite Logo in accordance with the terms of this Contract infringing the rights of any third party if and to the extent that such infringement arises as a result of an element of the Composite Logo which comprises a TTL Mark;
- (b) any use of the Sponsor Intellectual Property by TTL other than in accordance with this Contract and with the Sponsor Intellectual Property Licence;
- (c)
  - (i) claims by third parties; and
  - (ii) death or injury or damage to property,  
arising from the negligence, breach or default of TTL or otherwise arising from the performance or non-performance of TTL's obligations and undertakings contained in this Contract; and/or
- (d) any third party claims against the Sponsor arising in respect of a third party's use of the Bicycles.

## 12.3 Conduct of Claims

- (a) If either party (the "**Recipient**") becomes aware of any third party claim against the Recipient which may result in a claim by the Recipient against the other party (the "**Indemnifying Party**") under any indemnity contained in this Contract, the Recipient shall give notice to the Indemnifying Party as soon as is reasonably practicable thereafter together with a written summary of the third party claim and any relevant supporting documentation.
- (b) The Indemnifying Party shall be entitled at its discretion (but after consultation with the Recipient) to defend, at the Indemnifying Party's own expense, such claim on behalf of the Recipient provided that:
  - (i) the Recipient shall be kept fully informed of all key matters pertaining to the claim;
  - (ii) the Indemnifying Party shall, in resisting any such claim, comply with the terms of any relevant policies of insurance;

- (iii) the Indemnifying Party shall not be entitled to resist any such claim before any court unless it has been advised by leading counsel, after consideration of all the available relevant information and documents, that it is reasonable to resist such claim in the manner proposed by the Indemnifying Party; and
  - (iv) the Indemnifying Party agrees in writing to indemnify the Recipient (to the Recipient's reasonable satisfaction) against all relevant losses (including costs, damages and expenses) which may thereby be incurred.
- (c) The Recipient agrees in writing to give the Indemnifying Party and the insurer under a relevant policy of insurance, if any, all reasonable co-operation, access and assistance for the purpose of properly defending and counterclaiming against such a claim subject as provided in clause 12.3(b)(iv).
- (d) If the Indemnifying Party does not request the Recipient to take any appropriate action or fails to agree in writing to indemnify the Recipient to its reasonable satisfaction within twenty (20) Business Days of the Recipient's notice under clause 12.3(a), the Recipient shall be free to pay or settle the claim on such terms as it may in its absolute discretion think fit. The Recipient shall make no admission prejudicial to the defence of such claim unless and until it becomes entitled to pay or settle such claim pursuant to this clause 12.3(d).

## **13. LIMITATION OF LIABILITY**

### **13.1 Liability Cap**

Subject to clause 13.2, the maximum aggregate liability of each party to the other under or in connection with this Contract, whether arising from contract, tort (including any liability for any negligent acts or omissions) or otherwise howsoever arising shall be limited to the sums paid or payable under this Contract in respect of the Initial Term.

### **13.2 Exclusions**

Nothing in this Contract shall exclude or limit either party's liability:

- (a) as a result of or in connection with fraud;
- (b) out of or in connection with death or personal injury resulting from the negligence of that party;
- (c) for or in connection with wilful default;
- (d) pursuant to any indemnity under this Contract,

or for any other liability which cannot be excluded by law.

### 13.3 Indirect Loss

Except as otherwise specified in this Contract, neither party shall be liable to the other under this Contract for any indirect or consequential loss.

### 13.4 Sponsor Delay or Default

TTL shall have no liability for any failure to perform, or delay in performing, its obligations under this Contract (including any failure to deliver, or delay in delivering, the Core Rights), to the extent such failure arises as a result of the Sponsor's failure to perform, or delay in performing, its obligations under this Contract. Any delay by the Sponsor in complying with its obligations shall extend any deadline for delivery of subsequent tasks by TTL that are dependent on the Sponsor's performance of such obligation by a reasonable period to take account of the Sponsor's delay.

## 14. TERMINATION

### 14.1 Sponsor Default

Each of the following shall constitute a Sponsor Default:

- (a) the occurrence of an Insolvency Event in relation to the Sponsor;
- (b) failure by the Sponsor to pay any amount which:
  - (i) is not the subject of a Dispute;
  - (ii) is due and payable to TTL; and
  - (iii) remains unpaid thirty (30) Business Days after service of a formal written demand by TTL;
- (c) a material or persistent breach of the Sponsor's obligations under this Contract which, if capable of remedy, is not rectified within thirty (30) days of notice to rectify such breach;
- (d) the Sponsor ceases or threatens to cease to trade;
- (e) a Qualifying Change of Control;
- (f) a member of the Sponsor Group or an employee, sub-contractor or agent of the Sponsor has committed any Prohibited Act or the Sponsor or Banco Santander S.A. has committed any Fraudulent Act;
- (g) an employee, sub-contractor or agent of any member of the Sponsor Group (other than the Sponsor) has committed any Prohibited Act or any member of the Sponsor Group (other than the Sponsor or Banco

Santander S.A.) or an employee, sub-contractor or agent of any member of the Sponsor Group has committed any Fraudulent Act:

- (i) in relation to this Contract or the activation or use of the Core Rights; or
- (ii) which has a material adverse impact on the reputation of TTL, any other member of the TfL Group, any of the TTL Intellectual Property or the London Cycle Hire Scheme.

(h) there is a material breach of clause 9 by the Sponsor;

(i) there is a breach of clause 19.8 by the Sponsor;

14.2 If a Sponsor Default occurs, TTL may terminate this Contract immediately by written notice to the Sponsor.

#### 14.3 **TTL Default**

Each of the following shall constitute a TTL Default:

(a) the occurrence of an Insolvency Event in relation to TTL;

(b) failure by TTL to pay any amount which:

(i) is not the subject of a Dispute;

(ii) is due and payable by TTL under this Contract; and

(iii) remains unpaid thirty (30) Business Days after service of a formal written demand by the Sponsor.

(c) a material or persistent breach of TTL's obligations under this Contract which, if capable of remedy, is not rectified within thirty (30) days of notice to rectify such breach;

(d) TTL, an employee, sub-contractor or agent has committed any Prohibited Act or fraudulent activity;

(e) there is a material breach of clause 9 by TTL;

(f) there is a breach of clause 19.8 by TTL.

14.4 If a TTL Default occurs, the Sponsor may terminate this Contract immediately by written notice to the Sponsor.

#### 14.5 **General Provisions Regarding Termination**

(a) Termination of this Contract shall be without prejudice to any right or remedy of either party against the other accruing or accrued prior to such termination including any right to claim damages for any

antecedent breach of this Contract or accruing after termination in respect of those clauses referred to in clause (c) and any right to claim damages or other relief in relation thereto.

- (b) The rights of either party in respect of termination are in addition and without prejudice to any right which that party may have to obtain redress or relief available at law (whether by way of damages, specific performance or otherwise) in respect of a Sponsor Default or TTL Default (as applicable) provided that a party shall not be entitled to recover twice in respect of the same loss.
- (c) Termination of this Contract shall not affect the continuing rights and obligations of the parties under any clause which is expressed to survive termination or which is required to give effect to such termination or the consequences of such termination. Without prejudice to the generality of the foregoing the Surviving Clauses shall remain in full force and effect notwithstanding termination.
- (d) Neither party shall be entitled to terminate this Contract except as expressly set out in this Contract.

## 15. CONSEQUENCES OF TERMINATION

15.1 On the termination of this Contract, all rights and licences granted under this Contract shall terminate unless expressly stated otherwise elsewhere in this Contract.

15.2 The run-off arrangements for the use of the Sponsor Marks and/or the Composite Logo are:

- (a) if TTL terminates this Contract for Sponsor Default, then TTL shall remove (or cover) the Composite Logo and all Sponsor Marks from the London Cycle Hire Scheme within six (6) months of termination (or sooner in the discretion of TTL) at the Sponsor's cost;
- (b) if this Contract expires at the end of the Term or is terminated for any reason other than Sponsor Default, then TTL shall remove (or cover) the Composite Logo and all Sponsor Marks from the London Cycle Hire Scheme within six (6) months of the end of the Term (or, if TTL has in place another sponsor, as soon as reasonably practicable during that six (6) month period), at its own cost;

but the parties agree that this clause 15.2 shall not require TTL to recall any Keys.

15.3 Notwithstanding anything else in this Contract, the Sponsor agrees that TTL shall be freely entitled (without restriction) to make use of the Sponsor Colour in the Cycle Hire Roundel after the termination or expiry of this Contract.



## 16. CONFIDENTIALITY

### 16.1 Restrictions on Publicity

- (a) The Sponsor shall not by itself, its employees, sub-contractors or agents communicate with representatives of the press, television, radio or other communications media of whatever format on any matter concerning the London Cycle Hire Scheme without (subject to clause 16.1(c)) the prior written approval of TTL, which shall not be unreasonably withheld or delayed.
- (b) TTL shall not by itself, its employees, sub-contractors or agents communicate with representatives of the press, television, radio or other communications media of whatever format on any matter concerning the Sponsor's sponsorship of the London Cycle Hire Scheme without (subject to clause 16.1(c)) the prior written approval of the Sponsor, which shall not be unreasonably withheld or delayed.
- (c) The parties acknowledge and agree that there may be circumstances where it is necessary or desirable to communicate with representatives of the press, television, radio or other communications media of whatever format under clause (a) or 16.1(b) (as applicable) on an urgent basis. In such circumstances, the Sponsor or TTL (as applicable) shall be entitled to rely on the other party's approval given other than in writing, so long as the approval is given by an appropriately authorised representative of the other party (whose name has been provided by the other party for such purpose) and is confirmed in writing as soon as reasonably practicable.
- (d) Notwithstanding any other provision of this Contract, the Sponsor agrees that TTL shall have the right to:
  - (i) communicate with representatives of the press, television, radio or other communications media of whatever format without any requirement to seek the prior approval of the Sponsor;
  - (ii) control and supervise all dealings with the media:  
  
in relation to any political or operational matter, incident, claim, action or unforeseen event in relation to the London Cycle Hire Scheme.
- (e) The Sponsor will co-operate with TTL in relation to TTL's publicity for the London Cycle Hire Scheme.

### 16.2 Sponsor Obligations as to Confidentiality

Subject to clause 16.4 and except as otherwise provided in this Contract, the Sponsor shall keep confidential all matters relating to this Contract and all Confidential Information of TTL and/or any member of the TfL Group and

shall prevent its employees, sub-contractors and agents from making any disclosure to any person of any matter relating to this Contract and/or any such Confidential Information.

### 16.3 **TTL Obligations as to Confidentiality**

- (a) Subject to clause 16.4, TTL shall have the same obligations as those imposed on the Sponsor under clause 16.2 in respect of Confidential Information of the Sponsor. However, in addition to the permitted disclosures under clause 16.4, TTL will be entitled to disclose such Confidential Information of the Sponsor where TTL considers that it is obliged to do so under any of the legislation referred to in, or otherwise in accordance with, clause 17.

### 16.4 **Permitted Disclosures**

- (a) Clauses 16.2 and 16.3 will not apply to:
  - (i) any disclosure of information that is reasonably required by persons engaged in the performance of their obligations under this Contract;
  - (ii) any matter which a party can demonstrate is already generally available and in the public domain otherwise than as a result of a breach of this clause;
  - (iii) any disclosure to enable a determination to be made under the Dispute Resolution Procedure;
  - (iv) any disclosure which is required by any Applicable Law;
  - (v) any disclosure of information which is already lawfully in the possession of the receiving party, prior to its disclosure by the disclosing party, and which is itself not subject to a duty of confidentiality;
  - (vi) any registration or recording of any consents;
  - (vii) any disclosure of information by TTL to any other department, office or agency of TfL or the government;
  - (viii) any disclosure for the purpose of:
    - (A) the examination and certification of TTL's or the Sponsor's accounts; or
    - (B) any examination pursuant to section 6(1) of the National Audit Act 1983;

- (ix) any disclosure of information by TTL in relation to any competition for the future operations or maintenance of the London Cycle Hire Scheme or in relation to the future commercial exploitation of the London Cycle Hire Scheme;
  - (x) any disclosure of information by a party to its own professional or insurance advisers.
- (b) Where disclosure is permitted under clause 16.4(a), other than paragraphs (ii), (iii) (to the extent necessary for court proceedings), (iv), (v), (vi) and (viii), the discloser of such information shall procure that the recipient of the information shall be subject to the same obligation of confidentiality as that contained in this Contract.
- (c) For the purposes of the National Audit Act 1983, the Comptroller and Auditor General may examine such documents as he may reasonably require which are owned, held or otherwise within the control of the Sponsor or any sub-contractor and may require the Sponsor and any sub-contractor to produce such oral or written explanations as he considers necessary.
- (d) If the Sponsor, in carrying out its obligations under this Contract, is provided with information relating to users of the London Cycle Hire Scheme, the Sponsor shall not disclose or make use of any such information otherwise than for the purpose for which it was provided, unless the Sponsor has sought the prior written consent of the user and has obtained the prior written consent of TTL.

#### **16.5 TTL Disclosures**

Nothing in this Contract shall prevent the disclosure by TTL of any Confidential Information of the Sponsor to TfL or any of its subsidiaries, the Greater London Authority, the Mayor of London, the Scheme Operator and their respective advisers or sub-contractors or any other person or body that TTL from time to time is required to consult with or provide information to. The parties acknowledge that the National Audit Office has the right to publish details of this Contract (including commercially sensitive information) in its relevant report to Parliament.

#### **16.6 Freedom of Information**

This clause 16 shall be subject to the provisions of clause 17.

#### **16.7 Remedies**

The parties acknowledge and agree that damages alone may not be an adequate remedy for breach of this clause 16 and nothing contained in this Contract shall be construed as prohibiting the parties to this Contract from

pursuing any other remedies which may be available to them at law or in equity for such breach of this clause 16 including specific performance, injunctive relief and recovery of monetary damages.

## 17. **FREEDOM OF INFORMATION AND DATA TRANSPARENCY**

17.1 For the purposes of this Contract:

**"FOI Legislation"** means the Freedom of Information Act 2000, all regulations made under it and the Environmental Information Regulations 2004 and any amendment or re-enactment of any of them, and any guidance issued by the Information Commissioner, the Ministry of Justice, the Department for Constitutional Affairs, or the Department for Environment Food and Rural Affairs (including, in each case, its successors or assigns) in relation to such legislation;

**"Information"** means information recorded in any form held by TTL or by the Sponsor on behalf of TTL; and

**"Information Request"** means a request for any Information under the FOI Legislation.

17.2 The Sponsor acknowledges that TTL:

- (a) is subject to the FOI Legislation and agrees to assist and co-operate with TTL to enable TTL to comply with its obligations under the FOI Legislation; and
- (b) may be obliged under the FOI Legislation to disclose Information without consulting or obtaining consent from the Sponsor (but that where no such legal obligation exists it shall notify the Sponsor promptly in advance in writing of such proposed disclosure and take into account the Sponsor's reasonable representations regarding whether or not such proposed disclosure is acceptable).

17.3 Without prejudice to the generality of clause 17.2, the Sponsor shall and shall procure that its sub-contractors (if any) shall:

- (a) transfer to TTL (or such other person as may be notified by TTL to the Sponsor) each Information Request relevant to the Sponsor, TTL or TfL it or they (as the case may be) receive as soon as practicable and in any event within two (2) Business Days of receiving such Information Request; and
- (b) in relation to Information held by the Sponsor on behalf of TTL, provide TTL with details about and/or copies of all such Information that TTL requests and such details and/or copies shall be provided within five (5) Business Days of a request from TTL (or such other period as TTL may reasonably specify), and in such forms as TTL may reasonably specify.

- 17.4 TTL shall be responsible (taking into account the Sponsor's reasonable representations where able to do so without breaching any applicable requirement under FOI Legislation or other Applicable Laws) for determining whether Information is exempt information under the FOI Legislation and for determining what Information will be disclosed in response to an Information Request in accordance with the FOI Legislation.
- 17.5 The Sponsor acknowledges that TTL is subject to the Transparency Commitment. Accordingly, notwithstanding clause 16 and clause 17, the Sponsor hereby gives its consent for TTL to publish the Contract Information to the general public.

## 18. **DISPUTE RESOLUTION**

Any Dispute will be resolved in accordance with the following procedure ("**Dispute Resolution Procedure**").

- (a) Either party may call a management meeting of the parties by service of not less than ten (10) Business Days' written notice and each party agrees to procure that an authorised representative of that party shall attend all such meetings called in accordance with this clause 18.
- (b) Those attending the relevant meeting shall use reasonable endeavours to resolve disputes arising out of this Contract. If the meeting fails to resolve the dispute within ten (10) Business Days of its being referred to it, either party by notice in writing may refer the dispute to the Director of Commercial Development of TTL (who, at the Effective Date, is Graham Craig) and the Chief Marketing Officer of the Sponsor (who, at the Effective Date, is Keith Moor) who shall cooperate in good faith to resolve the dispute as amicably as possible within ten (10) Business Days of the dispute being referred to them.
- (c) In the event the Director of Commercial Development of TTL and the Chief Marketing Officer of the Sponsor are unable to resolve the dispute within that ten (10) Business Day period, the parties shall submit the dispute to mediation by a mediator appointed by agreement between the parties or, failing such agreement, as nominated by the Centre for Dispute Resolution.
- (d) Recourse to this Dispute Resolution Procedure shall be binding on the parties as to submission to mediation but not as to its outcome. Accordingly all negotiations connected with the dispute shall be conducted in strict confidence and without prejudice to the rights of the parties in any future legal proceedings. Except for any party's right to seek interlocutory relief in the courts, no party may commence other legal proceedings under the jurisdiction of the courts until ten (10) Business Days after the parties have failed to reach a binding settlement by mediation.

- (e) If, with the assistance of the mediator, the parties reach a settlement, such settlement shall be reduced to writing and, once signed by a duly authorised representative of each of the parties, shall remain binding on the parties.
- (f) The parties shall bear their own legal costs of this Dispute Resolution Procedure, but the costs and expenses of mediation shall be borne by the parties equally.
- (g) Nothing in this Contract shall prevent either party from applying for injunctive or other interim relief.

## 19. GENERAL

### 19.1 Force Majeure

A party will not be in breach of this Contract nor liable for any failure or delay in performance of any obligations (except for those in relation to payment) under this Contract (and the date for performance of the obligations affected will be extended accordingly) which arises as a result of any Force Majeure Event.

### 19.2 Notices

#### (a) Requirement for Notice in Writing

Wherever in this Contract provision is made for the giving or issuing of any notice, consent, approval, certificate or determination by any person (a "**Notice**"), unless otherwise specified such Notice shall be in writing and the words "notify", "consent", "approval", "certify" and "determined" shall be construed accordingly.

#### (b) Service of Notices

Save as otherwise expressly provided in this Contract any Notice to be given under this Contract shall be deemed duly given if delivered by hand or sent by recorded delivery post or by facsimile transmission or by email (provided that the Notice attached to such email is in pdf format and signed by a duly authorised representative of the relevant party) to the party to be served at or to that party's address or to its facsimile number given below or to such other address or numbers in England as the party to be served may from time to time select by prior notice to the other party:

TTL

Address: Transport Trading Limited, Windsor House, 42-50 Victoria Street, London SW1H 0TL

Attention: Harriet McDonald, with a copy to the General Counsel

Email: harrietmcdonald@tfl.gov.uk

**Sponsor**

Address: Santander UK plc, 2 Triton Square, Regent's Place,  
London NW1 3AN

Attention: Dan Sherwood, with a copy to the Company Secretary

Email: dan.sherwood@santander.co.uk

**(c) Time and proof of Service**

<b>Manner of Delivery</b>	<b>Deemed time of delivery.</b>	<b>Proof of Service</b>
Personal delivery	On delivery, provided delivery is between 9.00am and 5.00pm on a Business Day.	Properly addressed and delivered.
Prepaid first class recorded delivery domestic postal service	9.00am on the second Business Day after posting.	Properly addressed prepaid and posted.
E-mail	9.00am on the first Business Day after sending.	Despatched in a legible and complete form to the correct e-mail address without any error message provided that a confirmation copy of the e-mail is sent to the recipient by recorded delivery post in the manner set out above. Failure to send a confirmation copy will invalidate the service of any e-mail transmission.
Fax	9.00am on the first Business Day after sending.	Despatched in a legible and complete form to the correct fax number without any error message provided that a

		confirmation copy of the facsimile transmission is sent to the recipient by recorded delivery post in the manner set out above. Failure to send a confirmation copy will invalidate the service of any facsimile transmission.
--	--	--

**19.3 Entire Agreement**

This Contract constitutes the entire agreement between the parties hereto in connection with the subject matter of this Contract. No party has relied upon any representation save for any representation expressly set out in this Contract. Each party agrees that the only rights and remedies available to it arising out of or in connection with any warranties, statements or representations will be for breach of contract. All warranties, conditions, terms and representations not set out in this Contract, whether implied by statute or otherwise, are excluded to the extent permitted by law.

**19.4 Waivers and Variations**

- (a) No term or provision of this Contract shall be considered as waived by any party to this Contract unless a waiver is given in writing by that party.
- (b) No waiver under clause 19.4(a) shall be a waiver of a past or future default or breach, nor shall it amend, delete or add to the terms, conditions or provisions of this Contract unless (and then only to the extent) expressly stated in that waiver.
- (c) No variation to this Contract shall be effective unless recorded in a written instrument executed as a deed on behalf of each party by a person notified by the relevant party to the other party as being duly authorised to agree to such variation (which for the avoidance of doubt, may be different to the persons appointed by each party as Representatives).

**19.5 Partial Invalidity**

If at any time any provision of this Contract (or part thereof) is or becomes illegal, invalid or unenforceable in any respect under the law of any relevant jurisdiction, such illegality, invalidity or unenforceability shall not affect or impair the legality, validity or enforceability in that jurisdiction of any other part of that provision or any other provision of this Contract or, in any other



jurisdiction, of that provision or part thereof or any other provision of this Contract.

#### 19.6 **No Partnership or Agency**

Nothing in this Contract and no action taken by the parties pursuant to this Contract shall constitute, or be deemed to constitute, a partnership, unincorporated association or other co-operative entity. Neither party shall be or be deemed to be the agent of the other party and neither party shall hold itself out as having the power to bind the other party in any way.

#### 19.7 **Further Assurance**

Each party agrees that it shall now or at any time during the subsistence of this Contract, do or procure the doing of all such acts and/or execute or procure the execution of all such documents in a form satisfactory to the other party, as the other party may reasonably require for giving full effect to and obtaining the full benefit of the rights powers and remedies conferred upon such other party by this Contract.

#### 19.8 **Assignment**

- (a) The Sponsor shall not, without the prior written consent of TTL (which consent may be given or withheld in TTL's absolute discretion), assign, novate or transfer all or any of its rights or obligations under or pursuant to this Contract.
- (b) At any time TTL shall be entitled, without the consent of the Sponsor, to assign (whether absolutely or by way of security), transfer, novate, charge or otherwise dispose of the whole or part of its rights and/or obligations under this Contract to any member of the TfL Group.
- (c) At any time TTL shall be entitled, without the consent of the Sponsor, to assign (whether absolutely or by way of security), transfer, novate, charge or otherwise dispose of the whole or part of its rights and/or obligations under this Contract to a Suitable Third Party.
- (d) If TTL wishes to deal with its rights and/or obligations in this Contract pursuant to clauses 19.8(b) or 19.8(c), the Sponsor shall execute such documents (including but not limited to a deed of novation) and do such other things as TTL may reasonably request in order to facilitate and perfect such dealing.
- (e) In this clause a "**Suitable Third Party**" shall mean any person who has sufficient financial standing or financial resources to perform the obligations of TTL under this Contract.

#### 19.9 **Rights of Third Parties**

No person other than the parties to this Contract (which term shall for the purposes of this clause include all permitted assignees or transferees or successors in title) shall have any rights under the Contracts Rights of Third Parties Act 1999 (the "**Act**") nor shall this Contract be enforceable under the Act by any person other than the parties to it.

#### 19.10 **Legal Costs**

Each party shall bear its own legal costs incurred in relation to the preparation, negotiation and execution of this Contract.

#### 19.11 **Counterparts**

This Contract may be executed in any number of counterparts and by each party hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

#### 19.12 **Governing Law**

This Contract and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Contract or its formation (including any non-contractual disputes or claims), shall be governed by and construed in accordance with English law.

Subject to first complying with clause 18, all disputes or claims arising out of or relating to this Contract shall be subject to the exclusive jurisdiction of the English and Welsh Courts, to which the parties irrevocably submit.

**Signed by** [REDACTED] )  
for and on behalf of )  
**SANTANDER UK PLC** ) .....  
Chief Marketing Officer

**Signed by** [REDACTED] )  
for and on behalf of )  
**SANTANDER UK PLC** ) .....  
Director of Cost Management &  
Procurement

**Signed by** )  
for and on behalf of )  
**TRANSPORT TRADING LIMITED** )  
 )  
 ) .....  
Director

## **SCHEDULE 1**

### **SPONSORSHIP RIGHTS**

Activation of the Core Rights set out in this Schedule 1 is subject to the approvals process set out within schedule 4, and shall be in accordance with applicable Data Protection Legislation and the relevant TTL Guidelines.

## **Schedule 1, Part A**

Table 1 below provides a summary of the Core Rights detailed in Part A of Schedule 1.

*Table 1*

<b>Ref</b>	<b>Core Right</b>
CR 1	Scheme Name
CR 2	Cycle Hire Roundel
CR 3	Composite Logo
CR 4	Bicycles
CR 5	Keys
CR 6	Street Furniture - Terminal Screens
CR 7	Maintenance Vehicles
CR 8	Maintenance Staff High Visibility Vests

<b>Ref: CR 1</b>	<b>Scheme Name</b>
<p>1) Right to be the sponsor of the London Cycle Hire Scheme and to be designated as the title partner of the London Cycle Hire Scheme.</p> <p>2) Right for the London Cycle Hire Scheme to be named with the Scheme Name ("SANTANDER CYCLES").</p> <p>3) The Core Rights shall not include any rights to have the Scheme Name on Street Furniture.</p>	

<b>Ref: CR 2</b>	<b>Cycle Hire Roundel</b>
<p>1) Right for the London Cycle Hire Scheme to be branded with the Cycle Hire Roundel – see Schedule 2, Part 2.</p>	

<b>Ref: CR 3</b>	<b>Composite Logo</b>
<p>1) Right for certain aspects of the London Cycle Hire Scheme to be branded with the Composite Logo (see Schedule 2, Part 1) as set out in this Schedule 1 or otherwise in this Agreement.</p> <p>2) Right to have the Composite Logo used in connection with the London Cycle Hire Scheme to the extent set out in this Agreement.</p>	

<b>Ref: CR 4</b>	<b>Bicycles</b>
<p>1) Right to have stickers displayed on all London Cycle Hire Scheme Bicycles in accordance with the images below. For the avoidance of doubt the right is to have the stickers applied on each side of the mudguard and frame.</p> <p>2) The dimensions of the stickers are:</p> <p>Angled frame sticker: length 335mm</p> <p>Basket sticker: 148mm x 148mm</p> <p>The dimensions of the mudguard stickers are dictated by the size and shape of the mudguard.</p> <p>3) The stickers to be displayed on the basket and frame of each Bicycle will be as set out below.</p>	



4) On the smaller sticker, on the mudguard of each Bicycle, a London image will be shown. The London images, along with the larger image on the mudguard of each Bicycle, will be as set out below. The London images will be included on each side of the smaller mudguard sticker and will broadly be displayed in equal proportions on each of the Bicycles.









**Ref: CR 5****Keys**

1) Right for the Composite Logo to be displayed on both sides of the Key. Replacement Keys will be issued to LCHS customers in accordance with clause 6.1(d).

**Ref: CR 6****Infrastructure - Terminal Screens**

1) Right for floating Composite Logo to be included on the terminal screens which form part of the Street Furniture ("**Terminal Screens**").

2) The dimensions of the floating Composite Logo on the Terminal Screens are approximately:

- 10.5cm wide; and
- 2cm high (height of the Sponsor Mark).

3) TfL shall submit materials showing the appearance of the floating Composite Logo on the Terminal Screens for approval by the Sponsor in accordance with Schedule 4, prior to implementation.

**Ref: CR 7****Maintenance Vehicles**

1) Right for the Maintenance Vehicles to display the Composite Logo and Sponsor Colour, in accordance with the images below.

2) The duration of such right is as follows:

- Maintenance Vehicles in image CR7A (car) and CR7B (small van): the Term;
- Maintenance Vehicles in image CR7C and CR7D (large vans): 27 February 2015 to 25 March 2015.

Following 25 March 2015 the space in which the Composite Logo is situated on the Maintenance Vehicles shown in images CR7C and CR7D will cease to form part of the Core Rights. However, those Maintenance Vehicles will continue to display the

Sponsor Colour in the form of a horizontal line on the side panel, cab and rear, as shown in images CR7 and CR7D.

3) The dimensions of the Composite Logos on the car (CR7A) and small van (CR7B) are as follows:

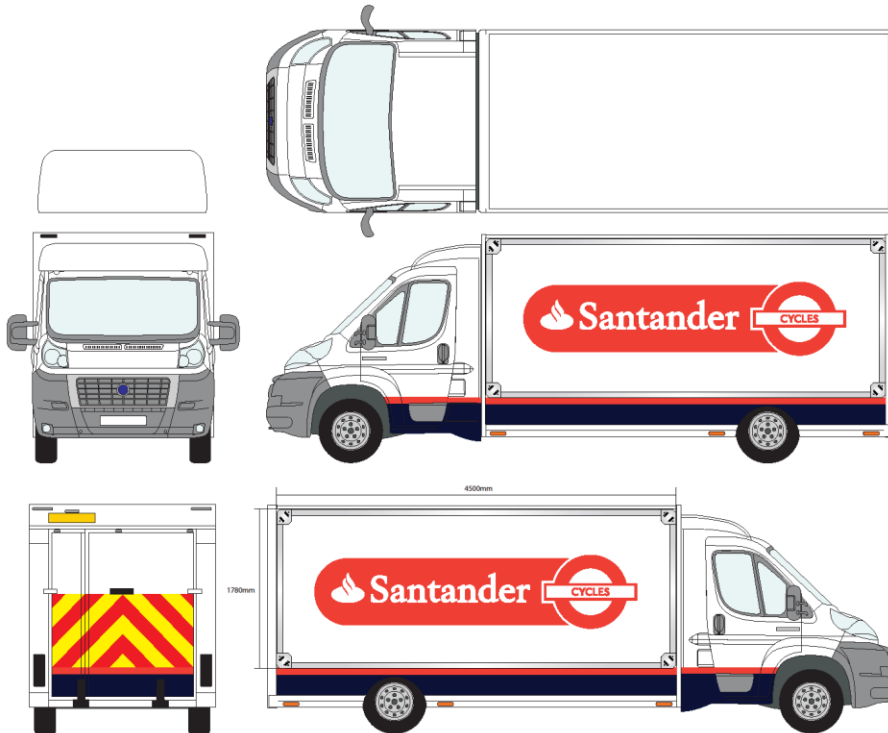
700mm x 215mm

**CR7A - car**

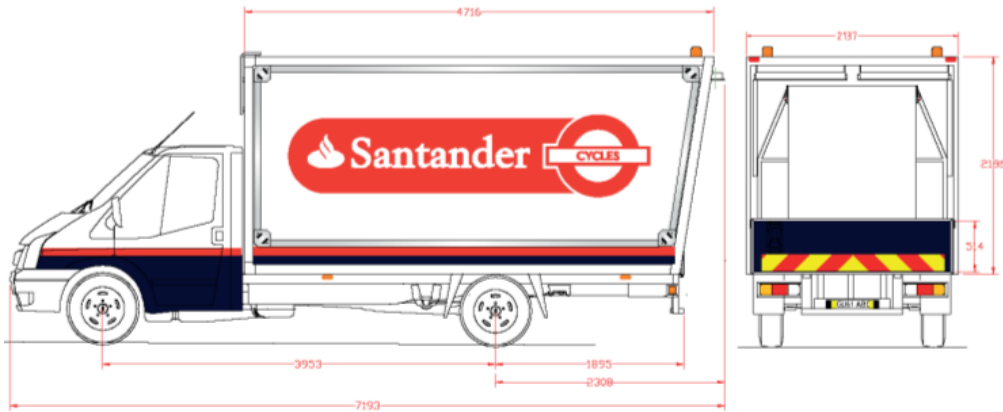
CR7B – small van



CR7C – large van (1)



## CR7D – large van (2)



- 1) Right for the Maintenance Staff High Visibility Vests to contain the Composite Logo on the front and back (in red).
- 2) The front of the Maintenance Staff High Visibility Vests will have one Composite Logo printed on it which shall be 9.7cm wide and 2.5cm high (at the highest point).
- 3) The back of the Maintenance Staff High Visibility Vests will have one Composite Logo printed on it which shall be 24.2cm wide and 6.2cm high (at the highest point).
- 4) The placement of the Composite Logo will be as shown below (but with the Composite Logo in red):



### **Schedule 1, Part B**

Table 2 below provides a summary of the Core Rights detailed in Part B of Schedule 1.

*Table 2*

<b>Ref</b>	<b>Core Right</b>
CR 9	Communications and materials
CR 10	Visual identify on the TfL website
CR 11	Social media channels
CR 12	Sponsorship launch
CR 13	Annual event
CR 14	Other events
CR 15	Special use of the London Cycle Hire Scheme
CR 16	Travel concessions
CR 17	Database
CR 18	Merchandise

Ref	Overview	Core Rights
CR 9	Communications and materials	<p>Right to use the Scheme Name and Composite Logo on all marketing, communications and promotional materials published, distributed, broadcast, transmitted or otherwise made available (including without limitation websites, apps and digital media content), and all advertising, marketing and/or merchandising activities undertaken by or on behalf of the Sponsor in the Territory (subject to the other terms of this Agreement, including without limitation approval of such Sponsor Marketing through the Approval Process, clause 9.7 in the case of domain names and digital media and clause 9.8 in the case of merchandising).</p> <p>All TTL Scheme Communications Materials will contain the Scheme Name or Composite Logo. TTL will seek to include both the Scheme Name <b>and</b> Composite Logo on TTL Scheme Communications Materials. However, the Sponsor acknowledges that this may not always be possible depending on the relevant media and applicable space constraints.</p> <p>Where, in accordance with the above, TTL Scheme Communications Materials do not include either the Scheme Name or the Composite Logo, then TTL will ensure that the relevant materials include the Cycle Hire Roundel so long as it is practicable to include a logo within such materials.</p>
CR 10	Visual identify on the TfL website	<p>Right to have the Scheme Name, and Composite Logo included on each layer of the web-pages located at:</p> <p><a href="http://www.tfl.gov.uk/santandercycles">www.tfl.gov.uk/santandercycles</a></p>
CR 11	Social media channels	<p>Right to develop and deliver London Cycle Hire Scheme related campaigns via Sponsor owned social media channels, as well as TTL and/or TfL owned social media channels (including a TTL and/or TfL owned Twitter feed with the handle @santandercycles). Right to propose a London Cycle Hire Scheme Facebook page subject to clause 9.7 and to approval under Schedule 4.</p>
CR 12	Sponsorship launch	<p>Right to create a London Cycle Hire Scheme sponsorship launch event in conjunction with TfL.</p>



Ref	Overview	Core Rights
		Right to include an official London Cycle Hire Scheme plaque, commemorating the Sponsor's contribution to the London Cycle Hire Scheme, within the Sponsor's premises.
CR 13	Annual event	Right to create an annual event to celebrate the London Cycle Hire Scheme, in conjunction with TfL.
CR 14	Other events	Right to run other London Cycle Hire Scheme promotional events, in conjunction with TfL.
CR 15	Special use of the London Cycle Hire Scheme	Right to use an allocation of Bicycles for two special occasions per Year. Twenty Bicycles to be made available for each occasion.
CR 16	Travel concessions	Right to 20 memberships for London Cycle Hire Scheme for staff or clients via an account.
CR 17	London Cycle Hire Scheme Database	Right to utilise London Cycle Hire Scheme data in accordance with clause 10.
CR18	Merchandise	Right to produce merchandise for give away (but not sale) to customers to the extent set out in clause 9.8.

Note – in relation to events (CRs 12-14), all event costs (e.g. venue hire) will be at the expense of the Sponsor.

### **Schedule 1, Part C**

Table 3 below provides a summary of additional Core Rights (CR, 19, 20 and 21).

Ref	Core Rights
CR 19	Right to propose and collaborate with TTL regarding additional functionality to the mobile app relating to the London Cycle Hire Scheme to enhance overall user experience. Such right to include the right to participate in any forum governing the development pathway of the app, to the extent set out in schedule 4. For the avoidance of doubt, all Sponsor proposals regarding app features or functionality are subject to the approval of TTL in accordance with schedule 4 and the apportionment of the costs of the development and implementation of any such Sponsor proposals, which are approved by TTL, must be agreed between the parties in writing and in advance.

Ref	Core Rights
CR 20	<p>Right to integrate the London Cycle Hire Scheme into Sponsor's 1 2 3 cashback programme by offering 1 2 3 product range customers cashback on all London Cycle Hire Scheme membership and usage fees. The parties anticipate that the arrangements will be similar to those currently in place for TfL tube and bus journeys but the details of such integration shall be approved via Schedule 4.</p> <p>Right to offer other cashback promotions to encourage cycling and London Cycle Hire Scheme ridership. Such promotions shall be approved via Schedule 4.</p> <p>For the avoidance of doubt, approved cashback promotions (including the Sponsor's 1 2 3 cashback programme) will be fully funded by Santander, and this funding shall not come from the Activation and Promotion Fund.</p>
CR 21	<p>Right to discuss ways of how to introduce and finance new technology and innovations not currently implemented or available over time in order to improve the user experience and/or increase ridership within the London Cycle Hire Scheme. The forum for such discussion shall be as described in Schedule 4. For the avoidance of doubt, such discussions shall be without prejudice to TfL or TTL's discretion as set out in clause 4.4(a).</p>

**SCHEDULE 2**

**MARKS**

**PART 1 – COMPOSITE LOGO**



**PART 2 – CYCLE HIRE ROUNDEL**



**PART 3 – TTL MARKS**

Roundel:



'Key' shape:



#### **PART 4 – SPONSOR MARKS**

The word mark 'SANTANDER'.



**SCHEDULE 3**  
**PAYMENT SCHEDULE**

**Core Rights Sponsor Payments**

1. Table 1 below sets out the total Sponsor Payments which are payable to TTL in relation to the Core Rights.

*Table 1: Sponsor Payments*

<b>Sponsor Payments</b>		<b>£</b>
Total Sponsor Payments		£43,750,000

2. Pursuant to clause 8, TTL shall provide the Sponsor with valid VAT invoices for the Sponsor Payments and all invoices shall be payable by the Sponsor within 30 days of the date of the invoice.
3. In relation to Core Rights, TTL is entitled to the following Sponsor Payments. Invoices can be raised from the relevant invoice trigger date in Table 2 below:
- 3.1 A Sponsor Payment on the Effective Date (“**Initial Sponsor Payment**”);
- 3.2 A Sponsor Payment on the Launch Date (“**Launch Date Payment**”);
- 3.3 Annual Sponsor Payments at the end of January for each year of the Contract (“**Ongoing Sponsor Payments**”).
4. TTL shall be entitled to invoice the Sponsor for the Initial Sponsor Payment, and Ongoing Sponsor Payments in accordance with the triggers (“**Invoice Triggers**”) and amounts set out in table 2 below.

*Table 2: Sponsor Payments – Invoice Triggers and amounts payable*

<b>Sponsor Payment</b>	<b>Invoice Triggers</b>	<b>Amounts payable</b>
Initial Sponsor Payment	Effective Date	£900,000
Launch Date Payment	1/5/2015	£3,475,000
Ongoing Sponsor Payments:		
Ongoing Sponsor Payment – payment 1	Within 1 <sup>st</sup> contract year: (31/1/2016)	£6,250,000

<b>Sponsor Payment</b>	<b>Invoice Triggers</b>	<b>Amounts payable</b>
Ongoing Sponsor Payment – payment 2	Annual: 31/1/2017	£6,250,000
Ongoing Sponsor Payment – payment 3	Annual: 31/1/2018	£6,250,000
Ongoing Sponsor Payment – payment 4	Annual: 31/1/2019	£6,250,000
Ongoing Sponsor Payment – payment 5	Annual: 31/1/2020	£6,250,000
Ongoing Sponsor Payment – payment 6	Annual: 31/1/2021	£6,250,000
Ongoing Sponsor Payment – payment 7	Annual: 31/1/2022	£1,875,000

### **Additional Sponsor Payment - Qualifying Scheme Change**

1. Table 3 below sets out the annual Additional Sponsor Payments which are payable to TTL in relation in the event of a Qualifying Scheme Change.

*Table 3: Additional Sponsor Payment*

<b>Sponsor Payments</b>	<b>£</b>
Annual Additional Sponsor Payment	£20,000

2. Pursuant to clause 8, TTL shall provide the Sponsor with valid VAT invoices for the Additional Sponsor Payments and all invoices shall be payable by the Sponsor within 30 days of the date of the invoice.
3. In relation to a Qualifying Scheme Change, TTL is entitled to the following Additional Sponsor Payments:
  - 3.1 An Additional Sponsor Payment upon the go-live of the Qualifying Scheme Change (“**Initial Additional Sponsor Payment**”);
  - 3.2 Ongoing, six monthly, Additional Sponsor Payments following the go-live of the Qualifying Scheme Change (“**Ongoing Additional Sponsor Payments**”).

4. TTL shall be entitled to invoice the Sponsor for the Initial Additional Sponsor Payment and Ongoing Additional Sponsor Payments in accordance with the triggers (“**Invoice Triggers**”) and amounts set out in table 4 below.

*Table 4: Additional Sponsor Payments – Invoice Triggers and amounts payable*

<b>Sponsor Payment</b>	<b>Invoice Triggers</b>	<b>Amounts payable</b>
Initial Additional Sponsor Payment	On the date of the Qualifying Scheme Change go-live.	£10,000
Ongoing Additional Sponsor Payments	<p>Every 6 months after the date of the Qualifying Scheme Change go-live, until expiry or termination of the Contract.</p> <p>The final Ongoing Additional Payment will need to be pro-rated accordingly to ensure amount paid is equivalent to the period of sponsorship provided through to expiry or termination of the Contract.</p>	£10,000

### **Additional London Cycle Hire Scheme Activation and Promotion Fund**

1. In addition to the Sponsor Payments and Additional Sponsor Payments, the Sponsor commits to providing a fund (“**Activation and Promotion Fund**”) to support the activation and promotion of the London Cycle Hire Scheme.
2. The Activation and Promotion Fund will be £1,000,000 for each year of the Contract running from the Effective Date. In the event that any of the total Activation and Promotion Fund is unspent in a given year, then the unspent amount shall be rolled over for use in the following year.
3. The parties will jointly agree how the Activation and Promotion Fund is spent, each year, on London Cycle Hire Scheme activation and promotions in accordance with the procedures detailed in Schedule 4 (Contract Management). It is the parties' intention that the Activation and Promotion Fund should be used for campaigns and activities which meet the following objectives:
  - Increasing ridership by motivating first time use, driving new member sign-ups and retaining existing members

- Improving the user experience by making it simpler and more convenient and finding ways to add value at every customer touchpoint
- Reducing the operational subsidy by increasing ridership.

Activation by the Sponsor outside of the above objectives will be funded by the Sponsor without making use of the Activation and Promotion Fund.

4. For the avoidance of doubt, the Activation and Promotion Fund does not represent the Sponsors anticipated total spend on London Cycle Hire activation and promotion. However, any further spend, over and above the Activation and Promotion Fund spend, will be at the discretion of the Sponsor.
5. The parties shall use reasonable endeavours to agree which agencies shall be responsible for creating and/or implementing any Sponsor Marketing proposed to be funded via the Activation and Promotion Fund. However, in the event that the parties are unable to agree on any such agency within thirty (30) days of the agreement of any such Sponsor Marketing to be funded via the Activation and Promotion Fund, then (without prejudice to clause 7.2) the Sponsor shall be entitled to appoint any reasonable and reputable UK-based agency.



## **SCHEDULE 4**

### **CONTRACT MANAGEMENT**

#### **General**

1. Each party shall nominate a manager (“Contract Manager”) who will be responsible for ensuring compliance with the party’s obligations under this Contract.
  
2. The Contract Managers, and their respective teams (which shall include all appropriate key staff and subject matter experts), shall meet on a regular basis (“Review Meetings”). Review Meetings will be the initial forum where all matters relating to the Contract are discussed between the parties. The parties shall agree an appropriate meeting frequency and structure for the Review Meetings. Whilst not limited to, the Review Meetings are anticipated to be the initial forum to discuss the following matters:
  - Provide clear direction to the partnership;
  - Set, manage and update in relation to all key milestones and timeframes;
  - Resolve partnership issues where necessary;
  - Suggest future partnership initiatives and scope;
  - Ensure overall coherence and alignment between the parties;
  - Manage and monitor the Activation and Promotion Fund, including discussion and agreement of activation proposals for Activation and Promotion Fund spend.
  - Agree and raise issues for discussion at the Steering Meetings.
  
3. The Contract Managers will also establish a series of other relevant meetings, including a steering group forum (“Steering Meetings”) which shall be attended by senior management from both parties. The Steering Meetings will provide strategic guidance, whilst also acting as a point of escalation for the parties.

#### **Approvals**

4. The Sponsor or TTL (as the case may be) (the ‘Submitting Party’) shall submit to the other party the Approval Materials for approval in accordance with this schedule 4 in good time before any anticipated use. The Approval Materials shall

be submitted to the contacts for such set out in paragraph 7 below and the following procedure shall apply:

- the Receiving Party shall respond to the Submitting Party within five (5) Business Days of receipt of the Approval Materials with confirmation of its approval (which unless otherwise stated in this Contract shall not be unreasonably withheld, delayed or conditioned) or otherwise;
  - if no approval is given, the Receiving Party shall give reasons for withholding approval and shall suggest reasonable amendments to the Approval Materials which (if implemented) would achieve approval;
  - if amendments were required by the Receiving Party, the Submitting Party may incorporate such amendments and re-submit the Approval Materials, in which case the Receiving Party shall respond to the Submitting Party within five (5) Business Days of receipt of the revised Materials with confirmation of its approval or otherwise (and if following re-submission the Receiving Party notifies the Submitting Party of its rejection of the re-submitted Approval Materials, the Submitting Party may withdraw the Approval Materials or invoke the Dispute Resolution Procedure);
  - if the Receiving Party does not respond to the Submitting Party with respect to any sample within the timetable set out above, the Approval Materials shall be deemed not approved.
5. The Submitting Party shall ensure that all Approval Materials put into action shall conform in all material respects with the Approval Materials approved by the Receiving Party.
6. As part of the approval process under this schedule 4, the Sponsor may request or agree that Approval Materials should not make use of the Scheme Name or the Composite Logo in which event, notwithstanding the grant of the Core Rights or any other clause of this Contract, TTL shall be free to make use of such Approval Materials, amended to use generic terminology in place of the Scheme Name and to remove the Composite Logo.
7. The parties contacts for the approval of Approval Materials shall be:
- the Sponsor: Dan Sherwood;
  - TTL: Harriet McDonald;

or such other contact as either party may notify to the other in writing from time to time during the Term.

**SCHEDULE 5**  
**SPONSOR ARTWORK**

Not used.

## SCHEDULE 6

### LAUNCH PLAN

The Launch Plan comprises the following milestones:

1	27 February 2015	Announcement of the Sponsor; production of pop up dock, branding of 50 Bicycles and 2 Maintenance Vehicles.
2	1 April 2015	Start of sticker installation roll out.
3	1 May 2015 (the Launch Date)	All Maintenance Vehicles, all new Maintenance High Visibility Vests deployed, minimum of 300 docking stations and 3,500 Bicycles rebranded.
4	7 July 2015	Asset transition completed across all on street infrastructure and website.