

THE SCOTTISH MINISTERS

SERCO LIMITED

MINUTE OF EXTENSION AND VARIATION
in respect of the Contract between the Scottish Ministers
and Serco Limited in relation to the Northern Isles Ferry
Services dated 01 June 2012
(Contract Number TS/FER/SER/2011/02)

MINUTE OF EXTENSION AND VARIATION

BETWEEN

(1) **THE SCOTTISH MINISTERS**, Victoria Quay, Edinburgh, EH6 6QQ (the "**Scottish Ministers**"); and

(2) **SERCO LIMITED**, a company incorporated in England and Wales (company number: 00242246), whose registered office is at Serco House, 16 Bartley Wood Business Park, Bartley Way, Hook, Hampshire, RG27 9UY (the "**Operator**");

hereinafter together referred to as the "Parties" and individually as a "Party".

WHEREAS

- (A) The Parties are the parties to the Contract between the Scottish Ministers and the Operator in relation to the Northern Isles Ferry Services dated 01 June 2012 (Contract Number TS/FER/SER/2011/02) (the "**Contract**"); and
- (B) The Contract is due to expire at 14:00 hours on 25 April 2018
- (C) The Parties wish to extend the contract for a further period of 18 months until 1400 hours on 31 October 2019.
- (D) The Parties have agreed to amend the Contract as set out in this Minute of Extension and Variation.

NOW THEREFORE the Scottish Ministers and the Operator agree as follows:

1. **Definitions**

- 1.1 In this Minute of Extension and Variation (hereinafter referred to as "this Minute"), except where the context otherwise requires, the definitions and interpretations referred to in clause 1 (definitions and interpretation) of the Contract shall apply, and words and expressions in this Minute shall have the meaning assigned to them in the Contract.

2. **Extension**

- 2.1 From and including 25 April 2018, the Contract shall be extended for a period of 18 months expiring at 14:00 on 31 October 2019 and the Contract shall be read and construed as varied by the provisions set out in Part 1 of the Schedule annexed to this Minute ("the Schedule").

2.2 Save as provided in this Minute, the Contract shall continue in full force and effect in accordance with its terms.

2.3 The obligation of the Scottish Ministers to pay the Grant or any Monthly instalment, from and including the Extension Date is subject to the condition that Scottish Ministers have received all the documents and other evidence listed at Part 2 of the Schedule to this Minute in a form and substance to the reasonable satisfaction of the Scottish Ministers. The Scottish Ministers may in their absolute discretion waive or deem to be satisfied in whole or in part the provisions of this clause 2.3.

2.4 A Base Case for the 18 month Contract extension period for each Service Year for the period from the Extension Date to the Expiry Date is set out in Part 3 of the Schedule.

3. **Lease payments for vessels used in the provision of the Services made by the Scottish Ministers to Serco Limited for onward payment to Caledonian Maritime Assets Limited**

From 25 April 2018 vessel leases (MV Hjaltland, MV Hrossey and MV Hamnavoe) will be paid for as set out in Part 4 of the Schedule to this Minute.

4. **Miscellaneous**

4.1 The Schedule annexed to this Minute forms part of, and is incorporated in, this Minute.

5. **Governing Law**

5.1 This Minute shall be governed by and interpreted in accordance with Scots Law.

5.2 All disputes arising in connection with this Minute shall be resolved in accordance with Clause 49 (Dispute Procedure) of the Contract.

IN WITNESS WHEREOF this Minute of Extension and Variation has been duly executed by the Parties as follows:

SIGNED for and on behalf of **THE SCOTTISH MINISTERS**

Signature

Name

Position

Witness

Witness' full name

Witness' address.. ..

Date **[date to be inserted]**

Place (town).....

SIGNED for and on behalf of **SERCO LIMITED**

Signature

Name

Position

Witness

Witness' full name

Witness' address.. ..

Date **[date to be inserted]**

Place (town).....

This and the following (31) pages comprise the Schedule referred to in the foregoing Minute of Extension and Variation between the Scottish Ministers and Serco Limited

SCHEDULE

Part 1 – Contract Amendments

The Contract is hereby amended as follows:-

1. In clause 3.1 for “expires on 25 April 2018 at 14:00 hours” where that wording occurs twice substitute “expires on 31 October 2019 at 14:00 hours”.
2. In Schedule 1, paragraph 1, in the definition of “Expiry Date”, for “25 April 2018” substitute “31 October 2019”.
3. In Schedule 5, Part C (scheduled maintenance programme), in the table for MV Hamnavoe, at the end directly beneath ‘2018 ‘In water’ survey’, the text “2019 [‘Statutory annual Flag inspection of Ships Hull and Fittings: MSR 2015: SI 2015/508’]” is inserted. In the table for MV Hjaltland at the end directly under ‘2018 ‘In water’ survey’ the text “2019 [‘Statutory annual Flag inspection of Ships Hull and Fittings: MSR 2015: SI 2015/508’]” is inserted. In the table for MV Hrossey at the end directly under ‘2018 In water survey’ the text “2019 [‘Statutory annual Flag inspection of Ships Hull and Fittings: MSR 2015: SI 2015/508’]” is inserted.
4. In Schedule 12 (Initial Base Case), section C.1.10, for “terminate on the 25 April 2018” substitute “terminate on the 31 October 2019”.
5. All references to ‘The Royal Bank of Scotland’ and/or ‘Royal Bank Leasing Limited’ in the Contract are deleted and replaced with the words, ‘Caledonian Maritime Assets Limited’.

Schedule - Part 2 – Documents and Evidence

1. Evidence of Insurance
2. Executed Ship Charters
3. Executed Tripartite Agreement

Schedule - Part 3 – Base Case

{REDACTED}

Schedule – Part 4 – arrangements for lease payments by the Scottish Ministers to Serco Limited for onward payment to Caledonian Maritime Assets Limited

{REDACTED}