



FRAMEWORK AGREEMENT FOR THE PROVISION OF SERVICES

between

The European Central Bank (the 'ECB')
Sonnemannstrasse 22
60314 Frankfurt am Main
Germany

and

BlackRock Financial Management, Inc. (the 'Contractor')
801-48433
55 East 52nd Street
New York, NY 10055
United States of America

(the 'Parties')

WHEREAS

- the Contractor has offered to provide services to support Stress-testing;
- the ECB has accepted this offer.

THE PARTIES HAVE AGREED AS FOLLOWS:

1. Scope of Services

- 1.1 Under this framework agreement (the 'Contract') the Contractor shall provide the following services (the 'Services') to the ECB:

- (a) the development and/or enhancement of a flexible, highly automated, efficient and robust stress-testing infrastructure, or specific modules thereof;
- (b) the development and/or enhancement of stress testing methodologies and models, including model validation;
- (c) software programming;
- (d) data management and processing;
- (e) the development and/or enhancement of quality assurance tools;
- (f) the development and/or enhancement of reporting infrastructures;
- (g) the conduct and/or the process management of stress testing exercises for selected financial institutions, including the review and quality assurance of financial institutions' bottom-up stress testing results, involving a large group of stakeholders.
- (h) Training and documentation drafting activities pertaining to each of the above-mentioned items.

The scope of this lot may also include, for items c) to f) above, the design, development, maintenance, operation and support of software solutions and/or components with regard to Stress-testing. Furthermore, the scope for this Lot may also include the training and documentation drafting activities pertaining to each of the items, from a) to g), as mentioned above.

The scope of Services is specified further in **Annex 1** to this Contract.

- 1.2 Signing this Contract shall not impose any obligation on the ECB to order Services. The provision of Services is subject to the issue of an order (the 'Order') specifying the scope of Services to be provided, the time limits and the remuneration. The ECB may issue Orders in accordance with the procedure laid down in Article 2.
- 1.3 The ECB may on its own account order Services on behalf of National Central Banks and National Supervisory Authorities of the euro area.
- 1.4 The ECB may, within reasonable limits, specify the scope of Services and the way the Services are performed by means of instructions. The Contractor shall comply with such instructions.

1.5 The ECB may request alterations to the Services and/or request additional services and the Contractor shall adapt its performance accordingly. The Contractor may refuse to perform alterations or additional services if the performance is technically impossible or unreasonable or if no appropriate resources are available. If the request entails changes to the Contract the Contractor shall inform the ECB without undue delay and shall not implement any alterations or additional services before the ECB has confirmed its acceptance in writing.

2. Issue of Orders

2.1 The Contractor acknowledges that (i) the Contract does not confer on the Contractor any exclusive right to provide the Services and the ECB reserves the right to engage other contractors if deemed appropriate, (ii) the ECB has entered into framework agreements with nine (9) service providers including the Contractor, and (iii) for each Order the ECB will run a mini-competition among all service providers.

2.2 If the ECB intends to issue an Order it shall invite all service providers in writing to submit an offer. The request for a proposal shall specify at least (i) the scope of Services to be provided, (ii) the timetable, (iii) the time limit for the submission of offers and (iv) the award criteria.

2.3 If the Contractor receives a request for a proposal from the ECB, the Contractor shall prepare an offer and submit it to the ECB in writing in accordance with the requirements set out in the request for a proposal. When replying to the ECB's request, the Contractor shall inform the ECB about any conflicts of interest as defined in Article 12 of the Contract which the Contractor or any of its proposed Professionals or its subcontractors may have.

2.4 The ECB shall issue the Order to the service provider who has submitted the best offer on the basis of the award criteria set out in the request for a proposal. The ECB may issue additional Orders to one or more other service providers following one mini-competition, in case the specific Services require performance by multiple service providers or no service provider is in a position to ensure full supply of the Services. The criteria applicable to the award of Orders to more than one Contractor in one mini-competition will be specified in the requirements which will be issued in the mini-competition for the award of the Orders. The Order shall specify the scope of Services to be provided, the remuneration, the duration and any other relevant terms and conditions. The Contractor shall confirm its acceptance by countersigning and returning the Order.

2.5 Upon signature by both parties, the Contractor shall perform the Services specified in the Order in accordance with the provisions of this Contract and the Order.

- 2.6 The Contractor acknowledges that the Contract does not confer on the Contractor any exclusive right to provide the Services. The ECB reserves the right to engage other contractors if deemed appropriate.

3. Place of performance; house rules; security clearance

- 3.1 The Services shall be delivered at the ECB's premises or at the Contractor's registered office as defined by the ECB in an Order.

- 3.2 If Services are performed on the ECB's premises the Contractor shall comply with, and shall ensure that its staff and subcontractors comply with, the ECB's house rules in the version in force at the time of performance (published at <http://www.ecb.europa.eu> under the link 'For suppliers'). The current version of the ECB's house rules is attached as **Annex 2**.

Should any future changes to the ECB's house rules affect the performance of the Services from the Contractor's reasonable point of view, the Contractor shall inform the ECB without delay. The Parties to this Contract shall then discuss and, if necessary, agree on any amendments to this Contract.

- 3.3 The assignment of staff and subcontractors at the ECB's premises shall be subject to prior security clearance by the ECB. The security clearance procedure is laid down in the ECB's house rules (**Annex 2**). The Contractor is responsible for the timely submission of the documentation required for the security clearance and shall bear the consequences resulting from a delayed submission.

- 3.4 The Contractor shall ensure that when its staff and subcontractors leave the ECB's premises they return all items received from the ECB including security badges, keys, books and any IT equipment. If such items are not returned within the reasonable time limit set by the ECB for reasons for which the Contractor is responsible, the ECB may claim from the Contractor a penalty up to an amount of [REDACTED] for each unreturned item. The ECB shall fix the amount using equitable discretion taking into account in particular the value of the item. This penalty does not prevent the ECB from claiming further damages.

4. The Contractor's staff; subcontracting

- 4.1 The Contractor shall deploy the Contractor's members of staff to perform the Services as proposed in Contractor's offer.

- 4.2 The Contractor shall not replace these staff unless it becomes necessary for reasons beyond the Contractor's control (for example sickness or termination of the employment contract). In such case the Contractor shall propose a replacement with the same level of experience and qualifications within 10 calendar days from the moment the Contractor becomes aware of the

staff member's unavailability. The assignment of the replacement is subject to the ECB's prior approval which shall not be unreasonably withheld.

- 4.3 If a member of staff does not have the required qualifications or experience, does not obtain security clearance or breaches repeatedly or substantially the ECB's house rules, as well as for other serious reasons, the ECB may request the Contractor to replace the member of staff, free of additional charge, within 10 calendar days of receiving written notice from the ECB. The assignment of the replacement shall be subject to the ECB's prior approval which shall not be unreasonably withheld.
- 4.4 The Contractor shall act as an independent contractor in the performance of the Contract and shall be free to determine the way the Services are performed within the limits set out in this Contract. The ECB and the Contractor agree that this Contract does not establish an employment relationship between the ECB and the Contractor, or any of its staff or subcontractors. Accordingly, the Contractor and its subcontractors shall be responsible for the payment of all taxes and social security contributions arising out of their activities under this Contract. It is the Contractor's exclusive responsibility to ensure that its staff and subcontractors have fulfilled all obligations required by legislation concerning aliens in all places of performance, including the obligation to hold a valid residence and work permit for the term of the Contract.
- 4.5 Unless otherwise agreed, the Contractor shall use its own staff to perform the Services. Subcontracting to a third party shall require the ECB's prior written consent. The ECB may withhold consent if it has a specific interest in personal performance by the Contractor or if the subcontractor does not meet the ECB's requirements, as well as for other justified reasons. The Contractor's own responsibility for performing the Services in accordance with this Contract shall remain unaffected.

5. Co-operation; Quality assurance

- 5.1 The Contractor's general contact points within the ECB shall be the Directorate General Microprudential Supervision IV and the Directorate General Macprudential Policy and Financial Stability. Both the ECB and the Contractor shall appoint a contract manager for this Contract.
- 5.2 The Contractor shall appoint a project manager for each assignment ordered in accordance with Article 2. The ECB shall appoint one or more authorized staff members ("the ECB project manager(s)") for the management of the respective assignments.

- 5.3 The ECB's project manager(s) and the Contractor's contract manager shall be responsible for the day-to-day management of the relevant assignment and the SSM's quality assurance review. They shall be the principal point for all contacts between the Parties.
- 5.4 The ECB project manager(s) shall be entitled to give technical instructions to the Contractor in order to ensure the proper performance of this Contract. In particular, the ECB project manager(s) may specify the scope of Services further and the timelines for their completion by means of instructions for each assignment under an Order. The powers of the ECB project manager(s) to act on behalf of the ECB shall be limited by the ECB's internal rules for decision-making, and the double signatory principle requiring the signature of two duly authorised members of the ECB's staff for any legal commitment of the ECB as required.
- 5.5 The Contractor shall strictly respect the timelines outlined in an Order and/or communicated by the ECB project manager(s) and shall report to the ECB project manager(s) about the development of their tasks and especially in case of finding a shortcoming or non-compliance matter.
- 5.6 As all SSM supervisory processes, the performance of the Services is subject to quality assurance to ensure consistency with the SSM methodology, SSM objectives, regulatory framework and harmonisation between the different SSM activities. As a consequence, the Contractor's contributions under the Contract shall also be subject to quality assurance checks, performed directly by the ECB project manager(s) or other ECB designated SSM personnel. Therefore, the Contractor shall strictly comply and shall ensure that its Professionals strictly comply with the applicable and identified quality assurance principles and framework. In case quality assurance issues are raised during or after the performance of the Services, the ECB may request the Contractor to answer specific questions relating to quality assurance and the Contractor shall cooperate and shall ensure that its Professionals cooperate with the ECB.

6. Remuneration

- 6.1 Unless otherwise agreed the Services shall be remunerated by expenditure of time. The remuneration shall be based on the rates or lump-sums agreed on for the Order in a procedure according to Article 2. The rates specified in the price sheet as part of the offer of the Contractor (Annex 1.2) are maximum rates. Rates for specific Orders may be lower, but must not exceed these maximum rates.
- 6.2 Unless otherwise agreed, the daily rate is a flat rate and shall cover up to 10 working hours a day. Parts of days shall be invoiced pro rata. Overtime requested and approved by the ECB will be remunerated by expenditure of time at the prorated respectively applicable daily rate.

- 6.3 The agreed rates shall cover all costs and expenses relating to the provision of the Services, in particular expenses for IT equipment, accommodation, travel and subsistence. Travel time shall not be remunerated.
- 6.4 If requested by the ECB, the Contractor shall offer fixed prices for specific Orders or for parts of specific Orders. The fixed prices shall be calculated on the basis of the agreed daily rates. The agreed fixed prices shall cover all costs and expenses relating to the performance of the Orders.
- 6.5 If requested by the ECB, the Contractor shall offer a price ceiling for specific Orders or for parts of specific Orders. The price ceiling shall be calculated on the basis of the agreed daily rate and the estimated maximum expenditure of time. If the performance of the Order requires more time than estimated, the Contractor shall inform the ECB without undue delay as soon as they become aware of this and shall await the ECB's confirmation before continuing to provide the Services. Additional time that the ECB has not approved in writing shall not be remunerated.
- 6.6 All rates are net without value added tax (VAT). If the Contractor is subject to VAT and established in Germany or Portugal, the ECB shall pay VAT in addition at the rate applicable on the day when the invoice is submitted to the ECB provided that the invoice clearly shows the applicable VAT rate and the VAT amount to be paid. If the Contractor is established in another EU Member State, the Services are exempt from VAT in accordance with Articles 3 and 22 of the Protocol on the Privileges and Immunities of the European Union and Article 151(1)(a)(aa) of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1). The Contractor shall accordingly complete the necessary formalities with the competent authorities to ensure that the Services are exempt from VAT. On request, the ECB shall provide the Contractor with a VAT exemption certificate.

The reimbursement or payment of travel expenses and accommodation costs shall cover net expenses excluding any value added tax paid by the Contractor to a service provider. Notwithstanding the foregoing, in case the Contractor's travel expenses include any non-deductible value added tax paid by the Contractor, the ECB shall reimburse the gross expenses on condition that the Contractor submits to the ECB invoices issued by the service provider to the ECB clearly showing the applicable VAT rate and the VAT amount to be paid.

- 6.7 The agreed rates shall remain stable for the entire duration of the contract.
- 6.8 Unless specified otherwise in the Order, the Contractor shall submit invoices to the ECB following completion of the Order. Invoices shall indicate at least a reference to the Contract and the respective Order, the purchase order number, if any, the Contractor's tax reference number, if any, a summary of the Services performed, the number of days and hours rendered,

the daily and/or hourly rates as applicable, the total amount to be paid, the VAT rate and amount, where applicable, and the IBAN and BIC codes for the Contractor's bank account. The actual service hours shall be proven by a detailed record. Invoices shall be sent to:

European Central Bank
Accounting
60640 Frankfurt am Main
Germany.

- 6.9 The ECB shall settle any invoiced amount (i) within 14 calendar days following receipt of a proper invoice with a [REDACTED]; or (ii) [REDACTED] within 30 calendar days following receipt of a proper invoice. All payments shall be in euro. The ECB may withhold payment if and to the extent the invoice is incorrect or does not meet the invoicing requirements set out in Article 6.8.

7. Intellectual property rights

- 7.1 The Contractor shall grant to the ECB irrevocably the exclusive right to use all documents, data and other work results that the Contractor produces in performing the Services on its own or together with third parties (together the 'Work results') from the moment the Work results are protected by intellectual property law. The ECB's right of use shall not be subject to any restrictions in terms of time, place or application and shall cover all forms of use known at the time of entering into the Contract. This shall include, without being limited to, the rights to copy, distribute, process, modify, further develop and/or dispose of the Work results or create derivative works based on the Work results and use them to the same extent as the original results. The ECB may transfer the right of use or grant rights thereon (sublicences) to third parties. The right to be designated as author and other mandatory moral rights, if any, shall remain unaffected.
- 7.2 Without prejudice to Article 7.1, the Contractor shall remain the owner of all rights relating to deliverables, documents, tools, methodologies, processes, ideas and know-how that they developed/owned prior to the Contract or develop/acquire independently of the Services ('Pre-existing deliverables'). If such Pre-existing deliverables are made available to the ECB under the Contract, the Contractor shall grant to the ECB the non-exclusive right to use, copy and distribute such Pre-existing deliverables internally and within the European System of Central Banks.

- 7.3 The Contractor shall transfer ownership to the ECB of all physical items containing, embodying or representing the Work results or Pre-existing deliverables.
- 7.4 The charge for granting the rights of use set out in Article 7.1 and 7.2 shall be included in the agreed remuneration.
- 7.5 The Contractor represents and warrants that they are authorised to grant the intellectual property rights as set out in Articles 7.1 and 7.2 and that the use of such rights by the ECB in accordance with this Contract does not breach any third party property rights. In case of a dispute the Contractor shall indemnify the ECB from or hold it harmless against all third party claims in accordance with statutory law.

8. Confidentiality; discretion

8.1 The Contractor shall treat in strictest confidence and not divulge to unauthorised persons any information, data or documents concerning the ECB, its staff, the Contract or its performance which the ECB designated orally or in writing as 'restricted', '(strictly) confidential' or 'secret' or which a reasonable contractor would consider to be confidential ('Confidential information'). The Contractor shall use such Confidential information only for the purpose for which it was disclosed and shall not use or exploit such Confidential information for its own benefit or for the benefit of another person. The Contractor shall require its staff and subcontractors to maintain confidentiality to the same extent. The ECB may request that the Contractor's staff and subcontractors sign an individual confidentiality declaration.

8.2 The Contractor shall store properly

- (a) all Confidential information that the ECB makes available to them;
- (b) all Confidential information that the Contractor receives in the performance of this Contract from third parties;

and shall ensure that unauthorised persons have no access to Confidential information. In case of termination of this Contract the ECB may request the Contractor to destroy or return Confidential information to the ECB without undue delay. The Contractor may keep copies if required by law. The Contractor shall not invoke any right of retention with regard to Confidential information.

8.3 Confidential information shall not include information, data and documents

- (a) that are or become publicly available, except through a breach of confidentiality by the Contractor;
- (b) the disclosure or use of which has been authorised by the ECB in writing;

(c) the disclosure of which is required by law.

If the Contractor or its staff or subcontractors disclose Confidential information or if the Contractor or its staff or subcontractors have not taken appropriate measures restricting access to Confidential information, the ECB may claim for each breach for which the Contractor is responsible a penalty up to an amount of [REDACTED] or [REDACTED] of the lump sum price for the first year of Services, whichever is higher. This penalty does not prevent the ECB from claiming further damages or from terminating this Contract with immediate effect.

8.4 The Contractor shall not use the ECB's name in any promotional material without the ECB's prior written consent. The consent shall cover only the promotional material described in the Contractor's request and shall only apply for the approved time period.

9. Data protection

9.1 The ECB shall process personal data received (such as names and contact details) in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1) and with Decision ECB/2007/1 of 17 April 2007 adopting implementing rules concerning data protection at the European Central Bank (OJ L 116, 4.5.2007, p. 64).

9.2 The ECB shall use such personal data solely for the purpose of managing the Contract and maintaining a database of suppliers. Within these limits, the ECB may transfer the personal data to third parties supporting the ECB in the management of the Contract including external contractors, national central banks and other partner organisations, without prejudice to possible transmission to internal audit services, the Court of Auditors and/or the European Anti-Fraud Office (OLAF) for the purposes of safeguarding the financial interests of the EU. The ECB may process payment settlement data via SWIFT.

9.3 The data subjects concerned may request access to their personal data and request the rectification of any data that is inaccurate or incomplete. For all queries relating to such data, data subjects may address the data controller who is the head of the Directorate/Directorate General specified in Article 5.1. Data subjects shall have the right of recourse to the European Data Protection Supervisor.

9.4 The Contractor shall comply with, and shall ensure that its staff and subcontractors comply with, applicable data protection law.

10. Duration and termination

- 10.1 This Contract shall become effective on its signature by both Parties and shall remain in force for a period of four years or until terminated in accordance with this Contract or any statutory provision.
- 10.2 The ECB may terminate this Contract with three months' written notice without cause.
- 10.3 Either party may terminate this Contract under extraordinary circumstances that render the continuation of this Contract intolerable considering all relevant aspects and the interests of both Parties (see § 626 of the German Civil Code). The ECB may terminate the Contract in particular:
- (a) if it becomes aware of circumstances that would have justified the exclusion of the Contractor from the procurement procedure in accordance with Article 24(4) and (5) of Decision ECB/2007/5 of 3 July 2007 laying down the Rules on Procurement (OJ L 184, 14.7.2007, p. 34, as amended by Decision ECB/2009/2 amending Decision ECB/2007/5 laying down the rules on procurement, OJ L 51, 24.2.2009, p. 10, both published at <http://www.ecb.europa.eu> under the link 'For suppliers');
 - (b) if the Contractor has substantially or repeatedly breached its obligations under this Contract and has not remedied such breach within a reasonable period of grace set by the ECB. No period of grace is required if the breach cannot be remedied or in the cases listed in § 314(2) and § 323(2) of the German Civil Code;
 - (c) if the Contractor retires from business;
 - (d) if the Contractor does not provide a suitable staff replacement within the time limits set out in Article 4;
 - (e) if the Contractor has a conflict of interest that cannot be solved by appropriate measures in accordance with Article 12.
- 10.4 The ECB may terminate an Order with two weeks' written notice without cause and either Party may terminate an Order without notice under the conditions set out in Article 10.3.
- 10.5 If the Contract expires or is terminated, the Contractor shall complete any specific Order that the Parties agreed prior to the expiry or termination of the Contract unless the specific Order is terminated at the same time.
- 10.6 The rights of termination in accordance with this Contract shall not prejudice any other statutory right or remedy that either Party may have.

11. Liability

- 11.1 The Contractor shall effect complete performance in time, in the quality necessary to achieve the purpose of the Contract, and complying with the relevant professional diligence, as well as the state of technology and sciences.
- 11.2 Either Party shall be liable for any deliberate or negligent action or omission of its staff or subcontractors in accordance with statutory law.
- 11.3 Either Party's total liability for slight negligence shall be limited to the individually agreed aggregate maximum amount of [REDACTED]. The liability in such cases shall be limited to the breaches of material contractual obligations, i.e. especially such obligations, the performance of which is a prerequisite to the achievement for the purpose pursued by the ECB in execution of the contract and upon performance of which the ECB could reasonably rely.

12. Standards of behaviour; conflicts of interest

- 12.1 The Contractor shall comply with, and shall ensure that its staff and subcontractors comply with, the standards of behaviour set out in Article 0.5 (Dignity at work), 0.2.1 (Conflicts of interest), 0.2.7 (Gainful occupation of a spouse or recognised partner), 0.2.2 (Gifts and hospitality), 0.2.6 (External activities), 0.2.3 (Procurement) and 0.3.2 (Relations with external parties) of the ECB's Ethics Framework (OJ C 40, 9.2.2011, p. 13 as amended by Decision ECB/2014/NP26 both available at http://www.ecb.europa.eu/ecb/legal/pdf/oj_joc_2015_204_r_0004_en_txt.pdf). The ECB may also request that the Contractor's staff comply with the requirements laid down in Article 0.4 of the Ethics Framework (Private financial transactions). The ECB may ask the Contractor's staff and subcontractors to sign a solemn Declaration of compliance with standards of behaviour.
- 12.2 Comprehensive integrity of the Contractor and its Services is of utmost importance for the ECB and for the functioning of the Single Supervisory Mechanism as a whole. The Parties therefore agree on the following rules and procedures to guarantee impartiality, objectivity, transparency and the avoidance of conflicts of interest:
- (a) In accordance with Article 0.2.1 of the ECB's Ethics Framework the Contractor shall in particular ensure that no circumstances arise in which its activities under this Contract conflict or might conflict with any services which the Contractor may provide to third parties. Conflicts of interest arise where the Contractor, its staff or subcontractors have private or personal interests which may influence or appear to influence the impartial and objective performance of its duties. Private or personal interests mean any potential advantage for themselves, their other business, their families, their other relatives or their circle of friends and acquaintances. In the event

of such conflict or potential conflict, the Contractor shall immediately notify the ECB and provide the ECB with all information necessary to assess the conflict. The ECB may request the Contractor to take appropriate measures to avoid or solve the conflict of interest, including the replacement of staff exposed to such situation. If it is not possible to avoid the conflict or potential conflict of interest or to solve it in another manner, the ECB may terminate this Contract with immediate effect.

- (b) The Contractor shall comply with its conflict management procedures attached as Annex 3 and shall inform the ECB of any intended change to the procedures. Such change shall only become effective with regard to this contractual relationship upon the ECB's express written approval.
- (c) If requested by the ECB, the Contractor shall provide the ECB with a complete and current list of all assignments by and obligations to third parties that may impair the performance of Services under this Contract to the extent permitted by the contractor's confidentiality duties to its other clients. In this regard, in full application of the contractor's Conflict of Interest policy, the Contractor will promptly identify, share and discuss any potential conflict of interest with the ECB.

The Contractor shall inform the ECB in good time before any significant change to such assignments that may change the ECB's position regarding the Contractor's integrity and objectivity in delivering Services to the ECB.

- (d) In as far as the Services pertain to the development of methodologies or involve information specific to a financial institution, the Contractor shall for the duration of provision of such services ensure strict segregation between the Contractor's staff and subcontractors deployed under this Contract and any other team or business sector of the Contractor advising large financial institutions or investors on the same or similar subjects as covered by the Services. The Contractor shall ensure that the measures necessary to implement such segregation are taken ("Chinese Walls"), including, without limitation, the following:

- The team involved in the provision of services under this contract will be located in different office rooms from any other staff. This applies to all team members, including secretarial staff.
- The access to electronic files, documents and data as well as to hard copy files is restricted to the team providing the Services. The Contractor shall restrict the access rights accordingly and shall take appropriate measures to avoid coincidental access to

such files. As such, printing is only allowed on printers with limited access. No files or documents relating to the Services may be left open on the desk.

- It is generally not allowed to discuss any questions, documents and data concerning the provision of services under this contract with non-team members, either on the occasion of general office events (colloquia, summer parties, lunches) or individually. Likewise, the discussion of abstract questions with non-team members on a “no name basis” is not allowed.
- (e) During the term of an Order on the provision of Services that involve tasks pertaining to the development of methodologies, without relying on information specific to a financial institution (including, without being limited to, horizontal analyses, analyses of risk drivers), and for a period of six months following its completion, the Contractor and those of its affiliates (§§ 15 et seqq. German Stock Corporation Act) who trade under the name of the Contractor shall refrain, and shall ensure that its subcontractors engaged under the Order refrain from assigning any member of the project team engaged in such Order to providing services in mandates for financial institutions involving a similar scope of services as under the Order, unless the ECB has declared its prior written consent.
- (f) During the term of an Order on the provision of Services that involve company specific information and/or the review of a specific financial institution (i.e. any non public institution specific information that is obtained during the performance of services under this contract) and for a period of 6 months following its completion, the Contractor and those of its affiliates (Articles 15 et seq German Stock Corporation Act) who trade under the name of the Contractor shall refrain, and shall ensure that its subcontractors engaged under the order , refrain from providing services, which were covered by the scope of the specific order, to the financial institution which were concerned by the Order, unless the ECB has declared its prior written consent.
- (g) If the Contractor becomes aware of a conflict of interest during an assignment, the Contractor shall immediately notify the ECB and provide the ECB with all information necessary to assess the conflict to the extent permitted by the Contractor’s confidentiality duties to its other clients. In this regard, in full application of the Contractor’s Conflict of Interest policy, the Contractor will promptly identify, share and discuss any potential conflict of interest with the ECB.

The ECB may request the Contractor to take appropriate measures to avoid or solve potential conflicts of interest, including the replacement of Professionals exposed to

such situation and the implementation of other concrete measures. If it is not possible to avoid the conflict or potential conflict of interest or to solve it in another manner, the ECB may terminate the Order and/or the Contract with immediate effect.

- (h) If requested by the ECB, for the duration that Services are performed under the Contract the Contractor and those of its affiliates (§§ 15 et seqq. German Stock Corporation Act) who trade under the name of the Contractor shall discuss with the ECB any assignments that involve directly advising entities (either National Central Banks, National Supervisory Authorities, treasuries, governments, etc., or significant banks to be supervised directly by the ECB) on any matters within the scope of this Contract, before agreeing to perform such assignments. If requested by the ECB, the Contractor shall submit to the ECB a monthly summary report on how the conflict management measures agreed in the Contract have been implemented, and discuss potential improvements, violations (in anonymous form) and mitigating and correcting measures.
- (i) If requested by the ECB, within one month after the expiry of this Contract, and at each six month interval thereafter should the Contract be renewed, the Contractor's compliance department shall provide a brief report to the ECB documenting its findings and shall be available to discuss the report with ECB staff upon request to the extent permitted by the Contractor's confidentiality duties to its other clients. In this regard, in full application of the Contractor's Conflict of Interest policy, the Contractor will promptly identify, share and discuss any potential conflict of interest with the ECB.
- (j) The Contractor shall submit to the ECB upon the ECB's request appropriate information and documentation allowing the ECB to assess whether conflicts of interest exist or may arise.

12.3 Depending on the nature of the Services to be provided under an Order, the Contractor may not provide Services to the ECB under an Order in case it is otherwise contractually committed to the ECB to refrain from providing the type of Services to the ECB, such as a contractual prohibition for an ECB statutory auditor to provide non-audit services to the ECB.

13. Subsidiary contracts; written form; double signature

13.1 This Contract contains the entire agreement between the Parties and supersedes all prior arrangements or contracts whether written or oral, express or implied.

- 13.2 Any amendments to this Contract or supplementary contracts as well as other legally binding declarations shall be made in writing. This shall apply also to this clause itself.
- 13.3 The Contractor acknowledges that under the Statute of the ESCB any declaration made on the ECB's behalf shall only be binding with the signatures of two duly authorised members of staff.

14. Validity of certain provisions; severability

- 14.1 The legal effects of the provisions of this Contract on intellectual property rights (Article 7) and on discretion and confidentiality (Article 8), as well as any other contractual provisions the purpose of which requires continuation after the end of the Contract, shall continue after the end of the contractual relationship.
- 14.2 If any provision of this Contract is found to be invalid or incomplete, the validity of the remaining terms and provisions shall not in any way be affected. In this case the Contract's provisions shall be determined on the basis of the relevant statutory provisions.

15. Choice of law

This Contract shall be governed by and interpreted under German law.

16. Jurisdiction; election of domicile

Should the ECB and the Contractor be unable to reach agreement on any matter arising out of their contractual relationship, the matter in dispute shall be referred to the exclusive jurisdiction of the ordinary courts (*Amtsgericht* or *Landgericht*) in Frankfurt am Main, Germany. The Contractor hereby expressly agrees that the address mentioned in the header of the present Contract will serve as the address for service in the event of a dispute. If the Contractor is resident/established outside Germany the ECB may request the Contractor to appoint a person resident or a company established in Germany that is authorised to accept service on behalf of the Contractor.

17. Annexes

The following annexes form an integral part of this Contract in the following ranking and order:

- (a) the Invitation to Tender (**Annex 1.1**);
- (b) the Contractor's offer (**Annex 1.2**);
- (c) the ECB's house rules for external staff (**Annex 2**);

(d) Contractor's conflict of interest policies and procedures including initial contracts overview (Annex 3);

(e) Supplier Security Requirement Baseline (Annex 4).

In the event of conflict, the main text of this Contract shall prevail over the annexes.

IN WITNESS WHEREOF the undersigned, being duly authorised, have signed this Contract:

European Central Bank:

Frankfurt, 04 April 2016

Place and date



Danièle Nouy

Chair of the Supervisory Board



Sergio Nicoletti Altimari

Director General

Contractor: *BlackRock Financial Management, Inc.*

New York, NY, 05 April 2016

Place and date



Annex 1.1

Invitation to Tender



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-RESTRICTED

INVITATION TO TENDER

FOR THE

**PROVISION OF SUPPORT FOR PROJECT MANAGEMENT,
QUALITY ASSURANCE ON ASSET QUALITY REVIEWS,
STRESS TESTING, AND THE PROVISION OF NON-
STATUTORY AUDIT SERVICES (PRO-000740)**

Lot 3: Support with regard to Stress-testing

Accelerated negotiated procedure

2015/S 250-456382

FINAL – 09 FEBRUARY 2016

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I. Executive Summary

As announced in the contract notice of 26 December 2015 (2015/S 250-456382) the European Central Bank (ECB) is seeking through this accelerated negotiated procedure suppliers for the provision of support for Project Management, Quality Assurance on Asset Quality Reviews, Stress-testing, and the provision of Non-statutory Audit Services, and intends to award contracts (the ‘Contracts’) to the suppliers offering the best value for money.

1. Background

The ECB has been conferred specific supervisory tasks relating to prudential supervision in the Single Supervisory Mechanism’s (SSM) participating EU Member States on 4 November 2014 (Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Luxembourg Malta, the Netherlands, Portugal, Slovakia, Slovenia, Spain) and, since January 1st 2015, Lithuania by the Council Regulation (EU) No 1024/2013 of 15 October 2013 (the “SSM Regulation”).

In fulfilling its tasks, as provided by the SSM Regulation, the ECB may conduct on regular basis a Comprehensive Assessment (CA), including an Asset Quality Review (AQR) of the credit institutions of the participating Member States (euro-area Member States and non-euro area Member States having entered into close cooperation with the ECB in accordance with article 7 of the SSM Regulation), as well as the conduct of Stress-testing exercises.

The ECB intends to contract external service providers to support the ECB upon specific request with the tasks referred to above. The scope of the Services to be provided is divided into four (4) different Lots:

- Lot 1: Project Management and Organisation Services;
- Lot 2: Quality Assurance Services on Asset Quality Reviews;
- **Lot 3: Support with regard to Stress-testing;**
- Lot 4: Non-statutory Audit Services.

This Invitation to Tender (ITT) is solely on **Lot 3 (Support with regard to Stress-testing)** and is seeking (i) to conclude Framework Contracts for Services to be provided within the scope of Lot 3, and (ii) to issue a first Order for Services to be provided within the scope of Lot 3, directly upon the award and signature of the Framework Contract(s) pertaining to Lot 3.

With regard to Lot 3 (Support with regard to Stress-testing), the ECB intends to contract highly-qualified external providers, that have at their disposal [REDACTED]

[REDACTED]
[REDACTED] who collectively possess in-depth knowledge and experience in the preparation, conduct and planning of large-scale Stress tests for financial institutions.

The Services shall be provided in English, which is the working language of the European Central Bank, and shall be performed at the ECB's premises in Frankfurt am Main in Germany. Please note that Chapter I, Section 6 (Structure of the tender documentation) contains background information which is deemed relevant for Lot 3 (Support with regard to Stress-testing).

2. Scope of services to be provided – Lot 3: Support with regard to Stress-testing

(a) Services to be provided under the Framework Agreement for Lot 3

The Services to be provided under the scope of the Framework Agreement for Lot 3 will include, inter alia, support with regard to one or more of the following items:

- a) the development and/or enhancement of a flexible, highly automated, efficient and robust stress-testing infrastructure, or specific modules thereof;
- b) the development and/or enhancement of stress testing methodologies and models, including model validation;
- c) software programming;
- d) data management and processing;
- e) the development and/or enhancement of quality assurance tools;
- f) the development and/or enhancement of reporting infrastructures;
- g) the conduct and/or the process management of stress testing exercises for selected financial institutions, including the review and quality assurance of financial institutions' bottom-up stress testing results, involving a large group of stakeholders.

¹ The term [REDACTED] refers to a professional [REDACTED]
[REDACTED]

² The term [REDACTED] refers to a professional with [REDACTED] years work experience.

³ The term [REDACTED] refers to a professional with [REDACTED] years work experience.

⁴ The term [REDACTED] refers to a professional with [REDACTED] years work experience and [REDACTED]
[REDACTED]
[REDACTED]

⁵ The term [REDACTED] refers to a professional with [REDACTED] years work experience [REDACTED]
[REDACTED]
[REDACTED]

⁶ The term [REDACTED] refers to a professional of [REDACTED]
[REDACTED]

The scope of this Lot may also include, for items c) to f) above, the design, development, maintenance, operation and support of software solutions and/or components with regard to Stress-testing. Furthermore, the scope for this Lot may also include the training and documentation drafting activities pertaining to each of the items, from a) to g), as mentioned above.

The ECB may specify the scope of Services required for specific assignments, tasks and/or projects by means of the order procedure and by means of instructions.

The ECB may request alterations to the Services and/or request additional services of a similar type as the ones mentioned in the scope of the Contract, or specific Orders issued based on the Contract. The Contractor may only refuse to perform alterations or additional Services if the performance is technically impossible or unreasonable or if no appropriate resources are available.

The Services may be provided by means of temporary grouping(s) of companies or sub-contracting (please refer to Chapter V, Section 1 and Chapter V, Section 2 of the Call for Applications).

(b) Services to be provided under the scope of Order 1 for Lot 3

In the context of the stress test exercises needed to be performed by Competent Authorities on the institutions they supervise at least on an annual basis⁷, participating Banks submit data which is subject to Quality Assurance by the competent authority, i.e. the ECB for Banks regulated by the SSM. The Directorate General Macroeprudential Policy and Financial Stability (DG/MF) and the Directorate General Microprudential Supervision IV (DG/MS4) co-lead this effort within the ECB, in close cooperation with other European and national banking supervisory authorities. While DG/MF approaches the exercise from a top-down perspective (providing an overall picture of the resilience of the banking sector as a whole), DG/MS4 approaches the exercise bottom-up (assessing the overall resilience of individual entities).

Immediately following the signature of the Contract(s) for Lot 3, currently envisaged for beginning of April 2016, the ECB will issue one Order to one of the Contractors with which a Contract for Lot 3 is in place, for the provision of Support with regard to Stress-testing.

Based on this Order, the Contractor will be requested to provide Services from beginning April 2016 until and including July 2016, concerning the conduct and the process management of a Stress-testing exercises for Banks undergoing the EBA 2016 EU-wide stress test exercise⁸, and Banks undergoing the ECB 2016 SREP stress test exercise. All Services will have to be provided in direct cooperation with the ECB staff working on Stress-testing, both in DG/MF and DG/MS4, plus additional staff

⁷ As per EU Directive of June 2013

⁸ <http://www.eba.europa.eu/-/eba-announces-details-of-2016-eu-wide-stress-test?doAsGroupId=10180>

involved from the Directorates General Microprudential Supervision I and II (DG/MS1 and DG/MS2) (responsible for direct supervision). The Contractor shall provide experienced Professionals that can provide support and advice across all areas of content and all countries as necessary. The scope of Services shall include:

- a) Supporting data processing, production of stress test results and analysis of Quality Assurance reports across relevant dimensions (e.g. bank-specific, portfolio- and country-level, by risk type, etc.);
- b) Supporting the maintenance (and further development, if required) of the tools used in the execution of the stress test exercise;
- c) Providing assistance regarding methodology clarifications on Stress testing issues, including helpdesk management and provision of help desk answers;
- d) Supporting the identification and prioritisation of issues for discussion within the ECB and with Banks;
- e) Supporting the preparation of documentation to be shared with different stakeholders (incl. Banks);
- f) Continuously tracking progress and providing regular progress updates;
- g) Offering guidance and advice on the conduct and content of relevant meetings of steering and decision-making bodies;
- h) Consolidating results through the preparation of results' publication (at least for Banks undergoing the EBA 2016 EU-wide stress test exercise)⁹ and approval by the relevant decision-making bodies (for all Banks).



The total amount of days performed at Partner level shall not exceed a maximum of 20% of the total amount of days for the entire Order.

The ECB may request the Contractor to continue providing the Services for Order 1 for the period of time specified in the request for extension. The ECB may exercise this option right unilaterally. The ECB shall notify the Contractor of the request for extension at the latest two weeks prior to the end of the initial duration. The ECB may exercise this option several times but the total duration of the extension may not exceed the initial duration of the Order.

3. Potential conflicts of interest

Bearing in mind that the entire scope of the procurement is divided in 4 different Lots, it shall be noted that Tenderers may submit a proposal for one Lot or for more Lots. However, Tenderers may only submit an offer for the Lot(s) for which the Tenderer

⁹ The results will be inserted into SSM/ECB templates, and the Contractor's name shall not be referenced in the publication of the results.

has submitted an application in the Selection phase of the procurement, and has been selected as successful applicant. In addition, in order to avoid any **potential conflict of interest**, it shall be noted that:

- The current and future ECB's Statutory Auditor and all its international network member firms and affiliates are **not eligible** to provide services to the ECB under the scope of **Lot 3** (Support with regard to Stress-testing) (please also refer to the Call for Applications, Chapter III, Section 3: Eligibility Criteria).
- With regard to future Orders, a Contractor would not be eligible to being issued an Order following a mini-competition in case circumstances exist or might arise under which its provisions of services for the ECB under an Order conflict or might conflict with the provision of services to third parties, or to the ECB under different contracts (conflict of interest). Depending on the specifications of an Order, such conflict of interest may exist in particular, but not exclusively, where a Contractor (i) provides statutory audit services to the ECB and is contractually bound to not provide non-audit services to the ECB, or (ii) has provided or is providing audit or consulting services to a bank in relation to an item to be audited by the Contractor in the same bank under the scope of Lot 4 (Non-statutory Audit Services). The ECB will conduct a verification of any potential conflict of interest on a case-by-case scenario when issuing Orders. Further details on the avoidance of conflicts of interest are set out in the draft Contracts.

With regard to future Orders, a Contractor would not be eligible to being issued an Order following a mini-competition in case circumstances exist or might arise under which its provisions of services for the ECB under an Order conflict or might conflict with the provision of services to third parties, or to the ECB under different contracts (conflict of interest). Depending on the specifications of an Order, such conflict of interest may exist in particular, but not exclusively, where a Contractor (i) provides statutory services to the ECB and is contractually bound to not provide any non-audit services to the ECB, or (ii) has provided or is providing audit or consulting services to a bank in relation to an item to be audited by the Contractor in the same bank under the scope of Lot 4 (Non-statutory Audit Services). The ECB will conduct a verification of any potential conflict of interest on a case-by-case scenario when issuing Orders. Further details on the avoidance of conflicts of interest are set out in the draft Contracts.

The ECB will conduct a verification of any potential conflict of interest on a case-by-case scenario when issuing Orders. Further details on the avoidance of conflicts of interest are set out in the draft Contracts.

4. Nature of the Contract

The ECB intends to conclude a Framework Agreement (Contract) for Lot 3 (Support with regard to Stress-testing) with **multiple** Contractors¹⁰ with extensive expertise and capability to provide the required Services.

It shall be noted that, bearing in mind that the entire scope of the procurement is divided into 4 different Lots, one (1) Contractor may conclude several framework contracts with the ECB, each representing one Lot, provided that the requirements as regards potential conflicts of interests as set out in Section 3 above are met.

The Contract for Lot 3 will have a duration of four (4) years and, entering into force upon signature by both parties (currently foreseen to take place by the beginning of April 2016).

Notwithstanding the expiry of each Contract, specific Orders agreed on the basis of the Contract(s) prior to their expiry may continue until the completion of the respective Services.

The Contract(s) do not confer on the Contractors any exclusive right to provide the Services. The ECB reserves the right to engage other Contractors that have not concluded a Contract with the ECB as an outcome of this tender procedure if deemed appropriate by the ECB.

During the term of the Contracts, the ECB may request services of a similar type that are not currently anticipated to but are within the scope of the Contract(s), that may reasonably be expected from the Contractors for the performance of the Contract(s), provided within the scope of the Contract(s).

The Framework agreement(s) also cater(s) for the ECB to request services to be deployed to other National Central Banks and National Supervisory Authorities of the euro area where needed in relation to the scope of the Contract(s).

5. Order procedure and first Order

It is foreseen that the first Services to be provided for Lot 3, and which will be requested by the issue of Order 1, would have to be provided immediately upon conclusion of the Framework Agreements. Tenderers are, therefore, requested to anticipate accordingly and to have the relevant resources available as from the Contract signature.

The initial assignments for Lot 3 will have a duration of up to 12 months as from the signature of the Order. The assignment will demand the continuous high-level participation of the core team and various specialised teams, as the needs develop from a project planning and project management perspective, pertaining to the performance of each concluded Framework Agreement.

¹⁰ The ECB intends to award at least three (3) Framework Contracts per Lot, provided that a sufficient number of suppliers meet the selection and award criteria.

On the basis of the Terms and Conditions of the Contract, the ECB will issue Orders for the provision of Services required for Lot 3, based on **mini-competition**. This means that the ECB will invite all the Contractors with whom a Contract is put in place for Lot 3 as the outcome of this tender procedure, to submit a proposal to the ECB for specific Services to be provided under the scope of the Order in question. The ECB will issue the Order(s) to the Contractor(s) with the economically most advantageous proposal as the outcome of the mini-competition in question, which will be the proposal(s) with the highest final score. For each individual mini-competition it will be clearly indicated if one Order to one Contractor will be issued, or if multiple Orders to multiple Contractors will be issued. The award criteria for the award of additional Orders will be specified in the requirements which will be issued in the mini-competition for additional Orders. The ordering procedure is set out accordingly in the draft Contract (Annex 1.1 to this ITT).

6. Structure of the tender documentation

The tender documentation consists of this invitation to tender (ITT) and the following annexes:

Annex 1.1: Draft Contract

Annex 1.2: Supplier Security Requirement Baseline

Annex 1.3: Draft Work order 1

Annex 2.1: Register A - Quality of Tenderer's entire pool of Professionals

Annex 2.2: Register B - Quality of the individual Professionals proposed as members of Teams

Annex 2.3: Register C - Declaration on tender documentation and draft Contract

Annex 2.4: Register D - Tenderer's Profile

Annex 2.5: Profiles Key Professionals – Order 1

Annex 3.1: Financial Offer – Framework Agreement (Price table)

Annex 3.2: Financial Offer – Order 1 (Price table)

The ITT for Lot 3 describes how interested suppliers (hereinafter the 'Tenderers') have to prepare and submit their tenders (see Chapter II), describes the evaluation and award process (see Chapter III), and explains how the ECB will inform the Tenderers about the outcome of the tender procedure (Chapter IV).

The draft Contract (Annex 1) (including the Supplier Security Requirement Baseline), and the draft Work order 1 specify the ECB's legal terms and conditions for the performance of the Contract and Order 1 for Lot 3. It will form the basis for the contractual relationship with the successful Tenderer(s) for this Lot.

The Technical Offer (Annex 2) Registers A to D are to be filled-in by the Tenderers for the requested technical information.

The Price tables (Annex 3) are tables in which Tenderers have to fill in all daily rates which apply to the performance of the Contract and Order 1 for Lot 3.

For (i) the SSM 2014 Comprehensive Assessment report, (ii) the ECB Occasional Paper on stress testing, (iii) the ECB Comprehensive Assessment Stress Test Manual, and (iv) the link to the EBA website providing information regarding the 2014 EU-wide stress testing exercise, which are made available in order to assist the Tenderers in the preparation of their offer for Lot 3 (Support with regard to Stress-testing), please refer to the links below:

SSM 2014 Comprehensive Assessment report:

<https://www.bankingsupervision.europa.eu/ecb/pub/pdf/aggregatereportonthecomprehensiveassessment201410.en.pdf>

ECB Occasional Paper on stress testing:

<http://www.ecb.europa.eu/pub/pdf/scpops/ecbocp152.pdf>

ECB Comprehensive Assessment Stress Test Manual:

<https://www.ecb.europa.eu/pub/pdf/other/castmanual201408en.pdf>

Link to EBA website regarding the 2014 EU-wide stress testing exercise:

<http://www.eba.europa.eu/risk-analysis-and-data/eu-wide-stress-testing/2014>

Link to EBA website regarding its 2016 EU-wide stress test draft methodology:

<http://www.eba.europa.eu/-/eba-announces-details-of-2016-eu-wide-stress-test?doAsGroupId=10180>

Aggregate report on the Greek comprehensive assessment 2015:

<https://www.bankingsupervision.europa.eu/ecb/pub/pdf/aggregatereportonthecomprehensiveassessmentexsum201510.en.pdf>

7. Tender evaluation and award process

The ECB shall award the Contracts to the Tenderers who submit the economically most advantageous tender. The tenders will be evaluated against the award criteria as set out in Chapter IV, Section 3 of this ITT.

The economically most advantageous tenders shall be the tenders with the highest final score.

Full details of the tenders evaluation and award process are included in Chapter IV of this ITT.

8. Legal framework

This tender procedure shall be governed by Decision ECB/2007/5 of 3 July 2007 laying down the Rules on Procurement¹¹ and the provisions of this ITT. The provisions of the Application form by which the Tenderers were invited to participate in this tender procedure shall apply accordingly.

9. Timetable

9.1 The ECB intends to carry out the tender procedure in accordance with the following timetable:

Milestone	Date
Time-limit for questions concerning the tender procedure or tender documentation:	Monday 22 February 2016
Time-limit for the submission of tenders:	Friday 26 February 2016
Invitations for presentations and/or negotiations:	Friday 04 March 2016
Presentations and/or negotiations:	Tuesday 08 March – Friday 11 March 2016 (week 10)
Notification of Tenderers about the award decision:	Wednesday 23 March 2016
Envisaged start of the Contract:	Friday 01 April 2016

9.2 The above time-limits for the submission of questions and tenders shall be binding. The ECB may extend these time-limits prior to the expiry of the time-limit for the submission of tenders if it modifies the tender documentation or in other duly justified cases.

9.3 The other dates are only tentative and the ECB may depart from them.

II. Preparation of tenders

1. Communication; queries regarding the tender procedure

1.1 During the preparation of tenders, all Tenderers are encouraged to submit questions to the ECB on any aspect of the tender procedure, the business case or the tender documentation.

¹¹ OJ L 184, 14.7.2007, p. 34 as amended by Decision ECB/2009/2 (OJ L 51, 24.2.2009, p. 10), Decision ECB/2010/8 (OJ L 238, 9.9.2010, p. 14) and Decision ECB/2012/10 (OJ L 178, 10.7.2012, p. 14), all published on <http://www.ecb.europa.eu/ecb/proc/tenders/html/index.en.html>.

- 1.2 Tenderers shall address all queries regarding this tender procedure to [REDACTED], European Central Bank, Central Procurement Office, Sonnemannstrasse 22, 60314 Frankfurt am Main, Germany. Queries shall preferably be submitted by e-mail to procurement@ecb.europa.eu or, alternatively, by fax (+49 69 1344 7110). The ECB does not assume any responsibility for queries which are not submitted in writing.
- 1.3 The ECB shall endeavour to answer all queries as quickly as possible but cannot guarantee a minimum time response. The ECB shall not be bound to reply to queries received less than seven calendar days before the time-limit for the submission of tenders, but will try to do so if possible.
- 1.4 If a query is of general interest, the ECB shall communicate the query and the corresponding answer to all Tenderers who have asked for the tender documentation. The query shall be anonymised and information of a commercially confidential nature shall not be disclosed.
- 1.5 During the tender procedure Tenderers shall not contact any other ECB staff members or organisations/persons working for the ECB with regard to this tender procedure. Tenderers shall also not contact potential competitors unless they intend to form a temporary grouping with them or to involve them as subcontractors. Any violation of this communication rule may lead to the exclusion of the Tenderer in question.
- 1.6 Unless otherwise provided, all communication with the ECB shall be made in English.

2. Changes to tender documentation

The ECB may at any time prior to the expiry of the time-limit for the submission of tenders, change or supplement the requirements set out in the tender documentation. The ECB shall communicate the changes or additions to all Tenderers who requested the tender documentation and may, if necessary, extend the time-limit for the submission of tenders.

3. Preparation of the tenders; expenses

- 3.1 Tenderers shall prepare their tenders on the basis of the tender specifications set out in Chapter I, Section 1 (Background) and Section 2 (Scope of services to be provided), the draft Contract (Annex 1.1), the Supplier Security Requirement Baseline (Annex 1.2), the draft Work order 1 (Annex 1.3), and the applicable Registers of Annex 2.
- 3.2 Tenderers shall obtain at their own responsibility and expense all information necessary for the preparation of their tenders. Tenderers are solely responsible for the costs and expenses incurred in connection with the preparation and submission of

their tenders and all other stages of the tender procedure. The ECB shall not be liable for any costs or expenses borne by Tenderers or persons involved by them.

- 3.3 Tenderers are solely responsible for obtaining the information which they consider is necessary in order to make decisions regarding the content of their tenders and to undertake any investigations they consider necessary in order to verify any information provided to them during the procurement process.

III. Submission of tenders

Tenderers shall submit their tenders in accordance with the requirements laid down in this Chapter 3 and include all documentation requested.

1. Address and time-limit for submission

- 1.1 Tenderers shall submit their tender no later than **Friday 26 February 2016** to the following address:

European Central Bank
Central Procurement Office

Sonnemannstrasse 22
60314 Frankfurt am Main
Germany.

- 1.2 If Tenderers submit their tender by registered post or private courier services the post office stamp or the date on the slip issued by the courier service shall constitute proof of compliance with the above time-limit for submission. However, **the ECB will not consider tenders which reach the ECB 5 calendar days after expiry of the above time-limit.**

- 1.3 In case of hand delivery Tenderers shall submit the tender by **18.00** on the above date to the ECB's Logistics Centre (Sonnemannstrasse 22, 60314 Frankfurt am Main, Germany). As proof of the deposit, the Tenderer shall receive a signed receipt indicating the time of deposit. Tenders received after the above time-limit shall not be considered.

2. Structure and contents of the tender

It shall be noted that:

- The offer for Lot 3 (Support with regard to Stress-testing) shall consist of a Technical offer and a Financial offer for the award of the Framework Agreement, and a Technical offer and a Financial offer for the issuing of Order 1. For more details, please refer to Section 2.1 Technical offer and Section 2.2 Financial offer below;

- The Technical offers and the Financial offers shall be submitted **in two separated envelopes**;
- The Technical offer for the award of the Framework Agreement and the Technical offer for the issuing of Order 1 shall be **combined in one envelope**. Likewise, the Financial offer for the award of the Framework Agreement and the Financial offer for the issuing of Order 1 shall be **combined in one envelope**;
- In case a Tenderer is selected for multiple Lots and submits an offer for multiple Lots, the offers for each Lot shall be submitted in **separate envelopes**;
- **For further instructions with regard to the envelopes and labelling, please explicitly refer to Section 6 (Envelopes and labelling) below.**

2.1 Technical offer

- (a) The Technical offer for the Framework Contract for Lot 3 shall include:
- a description of the proposed approach, concept, methodology and processes for the performance of the Services within the scope of the Contract for this Lot (please refer to Chapter I, Section 1 (Background) and Section 2 (Scope of the services to be provided));
 - the duly completed Registers A to D of Annex 2;
 - in case the Tenderer is not able to provide any Services relating to some of the items (a) to (g) specified in the scope of Lot 3, then the Tenderer shall indicate this explicitly in its Technical offer.
- (b) The Technical offer for Order 1 for Lot 3 shall include:
- a description of the proposed approach, concept, methodology and processes for the performance of the Services within the scope of Order 1 for this Lot (please refer to Chapter I, Section 2 (Scope of services to be provided)). This shall comprise a maximum of 10 slides in PowerPoint format;
 - a CV for each of the [REDACTED] in the team of Professionals as proposed by the Tenderer, with evidence of relevant and complementary experience with regard to the scope of Order 1. Please include the details of the profile per key member in Annex 2.5 (Profiles Key Professionals – Order 1).

Tenderers shall respect the word or numerical limits requested by the ECB, where applicable, and shall not provide additional documents.

The fields of requested information in the Registers A to D of Annex 2 shall not be changed.

For the purpose of consistency, the Tenderers shall align the information to be duly provided in the Technical Offer with the Financial Offer for the proposed composition of the Teams of Professionals¹².

A Team of Professionals refers to a group of [REDACTED]
[REDACTED]
[REDACTED] To this end, the Tenderers shall select the applicable level of experience and other requested information by using the drop down menu in the applicable Annexes, so as to include all their proposed Professionals.

2.2 Financial offer

- (a) The Financial offer for Lot 3 shall include the duly completed Price tables (Annex 3.1 and 3.2).
- (b) Changes to the Price tables are not permitted.
- (c) All daily rates shall be expressed in euro exclusive of VAT.
- (d) The daily rates quoted by Tenderers shall cover all costs and expenses relating to the performance of the Contract, in particular expenses for IT equipment, accommodation, travel and subsistence. Travel time shall not be remunerated. The daily rates shall cover up to 10 working hours a day.
- (e) The daily rates will be charged pro rate in case services are provided by Professionals for parts of a day.
- (f) The daily rates are maximum rates. Rates for specific Orders may be lower, but must not exceed these maximum rates.
- (g) The daily rates shall remain stable for the duration of the Contract and may only be adjusted under the conditions set out in the draft Contract (Annex 1). In this context rates for the proposed members of the Teams of Professionals in Annex 3 will remain stable for the duration of the Contract, irrespective of career advancements.
- (h) The Financial offer shall be signed handwritten by a duly authorised representative of the Tenderer.

¹² The teams indicated for each lot in the technical offer are solely proposed for evaluation purposes; the actual composition of the required teams for future specific assignments will be detailed in each respective call-off procedure.

¹³ For a definition of the different seniority levels of the Professionals, please refer to Chapter I, Section 1 (Background).

3. Validity of the tender

Tenders shall remain valid for a period of six (6) months from the time limit for submission of tenders.

4. Language

Tenderers shall submit all documents and information in English. Legal, financial, ISO and other certificates that have not been issued in English may be submitted in the original language. The ECB may request Tenderers to provide a certified translation of the original document.

5. Digital version and hard copy

Candidates shall submit their application in one hard copy version and additionally in digital version on CD. The digital version shall consist of pdf files. Generated pdf files shall be used except for documents which must be scanned for technical reasons (e.g. paper-based certificates). Filled-out forms shall be submitted as MS-Office documents (Word or Excel).

(a) Documents which relate to the Technical offer:

‘Technical offer [PRO-000740]_ [Project Management, Quality Assurance on Asset Quality Reviews, Stress-testing and Non-statutory Audit Services - Lot 3 (Support with regard to Stress-testing)’

(b) Documents which relate to the Financial offer:

‘Financial offer [PRO-000740]_ [Project Management, Quality Assurance on Asset Quality Reviews, Stress-testing and Non-statutory Audit Services - Lot 3 (Support with regard to Stress-testing)’

By submitting a tender, Tenderers declare that (i) the contents of the hard copy version and the digital version of the tender are identical and (ii) that they are aware of the legally binding character of the hard copy version and (iii) that they did not make any changes to the tender documentation provided by the ECB, except for requested information which the Tenderer inserted into the digital forms.

6. Envelopes and labelling

6.1 Tenderers shall submit their tenders in three sealed envelopes, two inner envelopes and one outer envelope. If self-sealing envelopes are used, they shall be further sealed using adhesive tape and be signed by the sender on top of the adhesive tape.

6.2 The first inner envelope shall include the hard copy and digital version of the Technical offer including all documents requested. The envelope shall bear the following information:

‘Invitation to tender for the provision of support for Project Management, Quality Assurance on Asset Quality Reviews, Stress-testing

and Non-statutory Audit Services (PRO-000740) – Lot 3 (Support with regard to Stress-testing)’

Name of the Tenderer

Technical offer’

- 6.3 The second inner envelope shall include the hard copy and digital version of the Financial offer including all documents requested and shall bear the following information:

‘Invitation to tender for the provision of support for Project Management, Quality Assurance on Asset Quality Reviews, Stress-testing and Non-statutory Audit Services (PRO-000740) - Lot 3 (Support with regard to Stress-testing)’

Name of the Tenderer

Financial offer’

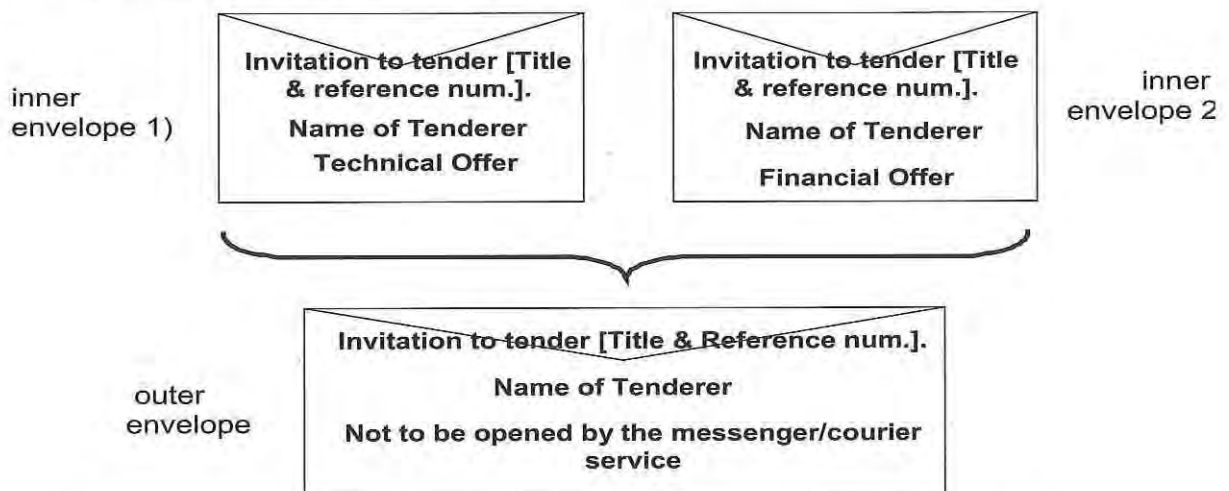
- 6.4 The two inner envelopes shall be placed in the outer envelope which shall bear, in addition to the ECB’s address specified in Chapter III, Section 1.1 the following information:

‘Invitation to tender for the provision of support for Project Management, Quality Assurance on Asset Quality Reviews, Stress-testing and Non-statutory Audit Services (PRO-000740) - Lot 3 (Support with regard to Stress-testing)’

Name of the Tenderer

Not to be opened by the messenger/courier service’

- 6.5 The instructions may be visualised as follows:



Please note that, in case a Tenderer submits an offer for multiple Lots, the offers for each Lot shall be submitted in separate envelopes. In addition, for each Lot, the Technical offer and the Financial offer shall be submitted in two separated envelopes.

7. Acceptance of conditions; property

- 7.1 By submitting a tender, Tenderers accept all terms and conditions stipulated in this ITT and its annexes, in particular the tender specifications (Chapter I, Section 1 and 2), the applicable Registers of Annex 2, and the draft Contract (Annex 1) (including the Supplier Requirements Baseline) and the draft Work order 1, and waive their own general and specific terms and conditions unless the ECB has invited them to submit their terms and conditions.
- 7.2 The successful Tenderer(s) shall be bound by this acceptance for the duration of the Contract.
- 7.3 Tenderers may propose minor changes or additions to the draft Contract. Tenderers who intend to propose such changes or additions shall (i) indicate in their proposal the article they would like to change or add to, (ii) provide an alternative proposal and (iii) explain their proposal. The ECB reserves the right to exclude Tenderers proposing substantial changes to the draft contract that affect the allocation of risks between the parties. The ECB may, at its own discretion, not consider changes or additions proposed at a later stage.
- 7.4 The tender documents including all attachments and samples shall become the property of the ECB and shall not be returned.

IV. Evaluation of tenders and award

1. Evaluation process

- 1.1 For Lot 3 (Support with regard to Stress-testing), the ECB intends to award a Contract to up to 10 Tenderers, provided that a sufficient number of Tenderers meeting the minimum requirements is available. The evaluation process shall take place in two stages (Article 23 of Decision ECB/2007/5), namely:

- (a) the verification of the formal tender requirements laid down in this ITT;
- (b) the evaluation of the tenders against the award criteria listed in Section 3.

Only the tenders meeting the requirements of each stage shall pass on to the next stage of the evaluation.

- 1.2 The evaluation shall primarily be based on the written tenders. For this reason, Tenderers are invited to present and explain their tender in writing in the most detailed and accurate way possible.
- 1.3 Following the evaluation of the written tenders the ECB may invite Tenderers for a presentation and negotiations. The presentations and negotiations may be carried out as consecutive negotiations in the order of the Tenderers' ranking or as parallel

negotiations with several Tenderers who best meet the award criteria. The presentation and negotiations are currently envisaged to take place **Tuesday 8 March until Friday 11 March 2016** (week 10). Tenderers are requested to anticipate accordingly and to have the relevant resources and responsible representatives available who shall participate to the presentations and negotiations.

2. Formal tender requirements

- 2.1 The ECB shall exclude tenders that
 - (a) were submitted after the expiry of the time-limit for the submission of tenders; or
 - (b) are substantially incomplete; or
 - (c) were not submitted in English.
- 2.2 The ECB may, at its own discretion, exclude Tenderers that do not comply with other substantial formal requirements laid down in this ITT.

3. Award criteria

- 3.1 The ECB shall award a Contract for Lot 3 to the Tenderer(s) who submit the economically most advantageous tender(s), i.e. the best quality/price ratio taking into account the award criteria listed below.
- 3.2 The tenders for Lot 3 shall be evaluated on the basis of the following award criteria:

Table 1: Award criteria for the award of the Framework Contracts – Lot 3: Support with regard to Stress-testing	Weighting
<p>1. Price</p> <p>The Price will be evaluated based on the average weighted total cost per day for the proposed Team of Professionals as per the daily rates proposed in Annex 3.1 (Financial offer – Framework Agreement).</p>	30%
<p>2. Quality of the proposal</p> <p>The Quality of the tender will be evaluated based on the following sub-criteria:</p> <ul style="list-style-type: none"> a) The quality of the proposed approach, concept, methodology and processes for the performance of the Services within the scope of the Contract for this Lot (please refer to Chapter I, Section 1 (Background) and Section 2 (a) (Services to be provided under the Framework Agreement for Lot 3)). b) The quality of Tenderer's entire pool of Professionals, in particular the available number of Professionals for the seven (7) Competences as set out in Annex 2.1 in English language, which will be evaluated based on Annex 2.1 - Register A. 	<p>65%</p> <p style="margin-left: 20px;">45%</p> <p style="margin-left: 20px;">10%</p>

c) Experience and qualifications of the proposed hypothetical project team members for items related to the support with regard to Stress-testing for financial institutions, which will be evaluated based on Annex 2.2 – Register B. Please refer also to Section 3.5 below.	10%
3. Acceptance of the ECB’s draft Contract	5%

Table 2: Award criteria for the issuing of the <u>Order 1</u>: Support with regard to Stress-testing	Weighting
1. Price The Price will be evaluated based on the average weighted total cost per day for the sample Team of Professionals as per the daily rates proposed in Annex 3.2 (Financial offer – Order 1).	30%
2. Quality of the proposal The Quality of the proposal for the performance of Order 1 will be evaluated based on the following sub-criteria:	70%
a) The quality of the proposed approach, concept, methodology and processes for the performance of the Services within the scope of Order 1 (please refer to Chapter I, Section 2 (b) (Services to be provided under the scope of Order 1 for Lot 3)).	40%
b) The quality of the [REDACTED] in terms of experience and qualifications with regard to the performance of the Services in the scope of Order 1 (please refer to Chapter I, Section 2 (b) (Services to be provided under the scope of Order 1 for Lot 3)), which will be evaluated based on Annex 2.5 – Profiles Key Professionals – Order 1. Please refer also to Section 3.5 below.	30%

- 3.3 The ECB shall evaluate all tenders for the Framework Agreement and Order 1 for Lot 3 using a scoring system with a maximum of **100 weighting points**. The maximum number of points achievable per award criterion is equivalent to the percentage weightings allocated to the award criteria set out in the tables in Section 3.2 above.
- 3.4 The ECB shall evaluate the Financial offers for the Framework Agreement and Order 1 for Lot 3 using a scoring system with a **maximum of 30 weighting points**. Price offers will be ranked using the inverse proportional method, i.e. the lowest price offer shall obtain the maximum score and the other offers proportionally less.
- 3.5 The quality of the tenders for the Framework Agreement and Order 1 for Lot 3 shall be evaluated as follows:
- (a) the quality related award criteria listed in the tables in Section 3.2 shall be assessed one by one against the ECB’s requirements set out in the tender

specifications (please refer to Chapter I on the Background and Scope) and evaluated on the basis of a scoring system from zero to five points:

Score	Definition
0 point	No evidence/Total failure: The tender totally fails to address the criterion under examination or cannot be assessed due to missing evidence.
1 point	Very Poor: The criterion under examination is addressed in an incomplete and unsatisfactory manner; serious concerns.
2 points	Poor: The criterion under examination is partly addressed but with a few major gaps or issues.
3 points	Fair: The criterion under examination is generally addressed with minor issues.
4 points	Good: The criterion under examination is fully addressed.
5 points	Excellent: The criterion under examination is fully addressed and the tender offers some added value.

- (b) with regard to the sub-criterion ‘Acceptance of the ECB’s draft Contract’ for the Framework Agreement, the evaluation will take into account the impact of the proposed changes to the draft Contract on the ECB’s legal position, in particular regarding contract performance, liability and warranty;
 - (c) the ECB shall evaluate the quality of the tender for the Framework Agreement using a scoring system with **a maximum of 65 weighting points**, based on the criteria and corresponding weightings set out in table 1 in Section 3.2. The ECB shall evaluate the quality of the offer for Order 1 using a scoring system with **a maximum of 70 weighting points**, based on the criteria and corresponding weightings set out in table 2 in Section 3.2;
 - (d) tenders which do not obtain at least **2 points** (out of a maximum of 5) for each of the sub-criteria may be considered to be of an unacceptably low quality, rejected and not further evaluated;
 - (e) the score obtained for each award criterion will be multiplied with its allocated weight to calculate the weighted score per criterion. All the weighted scores will be added together (“added scores”) and hereafter converted into points as detailed in section 3.5 (c) above. The tenders with the highest added scores will, for the purpose of the ranking of the tenders, obtain the maximum points as indicated in section 3.5 (c) above and the other tenders will receive proportionally less.
- 3.6 The ECB shall evaluate the Technical Offers on the basis of the information to be submitted by the Tenderers in the applicable Registers of Annex 2, and the requested descriptions. The ECB will not evaluate information from any additional documents that may be submitted by the Tenderers further to the dully filled Annex 2 (Technical Offer, Registers A to D), Annex 3 (Financial offer) and the requested descriptions.
- 3.7 Furthermore, Tenderers shall confirm in Annex 2 - Register C that all Professionals proposed in Annex 2 - Registers A and B have advanced oral, reading, and writing

skills in all the applicable Languages in accordance with the Common European Framework of Reference (CEFR) C1 level or equivalent.

3.8 The economically most advantageous tender is the tender with the highest final score.

4. Abnormally low offers

The ECB may exclude abnormally low offers in accordance with Article 27 of Decision ECB/2007/5.

V. Outcome of the tender procedure

1. Notification of award; award notice

1.1 The ECB shall notify all Tenderers of the award decision at least 10 calendar days prior to the signature of the Contract if the notification is sent by fax or electronic means, or at least 15 calendar days prior to the signature of the contract if other means of communication are used (Article 28(2) of Decision ECB/2007/5).

1.2 Tenderers may, within 15 calendar days of receipt of the notification, request the ECB to provide the reasons for rejecting their tender and to provide copies of all documents relating to the evaluation of their tender. Unsuccessful tenderers whose tender was admissible may also ask for the name of the successful tenderer as well as the key characteristics and relative advantage of its tender. They may also request copies of all documents relating to the evaluation of the successful tender, subject to Article 28(4) of Decision ECB/2007/5. Such requests shall be submitted in writing (e.g. by e-mail to procurement@ecb.europa.eu). The ECB does not assume any responsibility for queries which are not submitted accordingly. In case of doubt, the Tenderer must demonstrate the ECB's receipt of such request.

1.3 The ECB may decide to withhold certain information where the release of such information would affect other suppliers' legitimate commercial interests, would hinder application of the law or would otherwise be contrary to the public interest.

1.4 The ECB shall publish an award notice in the *Official Journal of the European Union* on the outcome of the tender procedure. The notice shall be sent within 48 calendar days after signature of the Contract.

2. Appeal procedure

2.1 Unsuccessful Tenderers may request the ECB's Procurement Review Body to review the decision to reject their tender under the conditions set out in Article 33 of Decision ECB/2007/5. Any appeal shall be submitted to the following address:

Procurement Review Body of the ECB
c/o Legal Advice Team

European Central Bank
Sonnemannstrasse 22
60314 Frankfurt am Main
Germany
Email: LegalAdviceTeam@ecb.europa.eu
Fax: +49 69 1344 6886

- 2.2 Tenderers shall submit the appeal within 15 calendar days from the receipt of the information specified in Chapter V, Section 1.2 or if no information is requested, within 15 calendar days from the receipt of the notification.
- 2.3 The appeal shall be submitted in English and include all supporting information and reasoned objections.

3. Jurisdiction

The General Court of the European Union in Luxembourg (Rue du Fort Niedergrünewald L-2925 Luxembourg) shall have exclusive jurisdiction in any dispute between the ECB and a Tenderer relating to this tender procedure. If an appeal procedure is available, Tenderers are requested to await the ECB's decision on the appeal before bringing the matter to the General Court. The time-limit to bring proceedings under Article 263 of the Treaty on the Functioning of the European Union shall begin to run two months from receipt of the appeal decision.

4. European Ombudsman

A Tenderer may also lodge a complaint with the European Ombudsman (1 Avenue du Président Robert Schuman, CS 30403, FR - 67001 Strasbourg Cedex) in accordance with Article 228 of the Treaty on the Functioning of the European Union and the Statute of the European Ombudsman. A complaint must be made within two years from the date when the complainant becomes aware of the facts on which the complaint is based.

Annex 1.2

Contractor's Offer

To:
European Central Bank
Central Procurement Office
[REDACTED]
PRO-000740
Sonnemannstr. 22
60314 Frankfurt am Main, Germany

17 March 2016

Provision of support for project management, quality assurance on asset quality reviews, stress testing, and the provision of non-statutory audit services – Re-Submission of Financial and Technical Offer for Lot 3 and Order 1

Dear [REDACTED]

Thank you for giving us the opportunity to submit a revised technical offer, reflecting the topics discussed during our presentation on 10 March 2016 at the ECB's premises.

We herewith submit a revised technical and financial offer for Lot 3 and Order 1 of the tender (PRO-000740).

As per your request, please also find as an appendix to this letter a summary of the changes made to our initial submission, which allows you to conveniently track the amendments made. We also provide a direct reference to topics discussed during the meeting.

The following documents are being re-submitted by BRS:

- Technical offer [PRO-000740]_Lot 3_Framework Agreement
- Technical offer [PRO-000740]_Lot 3_Order 1
- Annex-3.1---Financial-Offer---Lot-3---Framework-Agreement
- Annex-3.2---Financial-Offer---Lot-3---Order-1

All other documents remain unchanged compared to BRS' original submission:

- Annex-2.1---Technical-Offer---Register-A---Lot-3---Quality-of-Tenderers-entire-pool-of-Professionals
- Annex-2.2---Technical-Offer---Register-B---Lot-3---Quality-Professionals
- Annex-2.3---Technical-Offer---Register-C---Lot-3---Declaration-on-tender-documents-and-draft-
- Annex-2.4---Technical-Offer---Register-D---Lot-3---Tenderers-Profile
- Annex-2.5---Technical-Offer---Lot-3---Profiles-Key-Professionals---Order-1


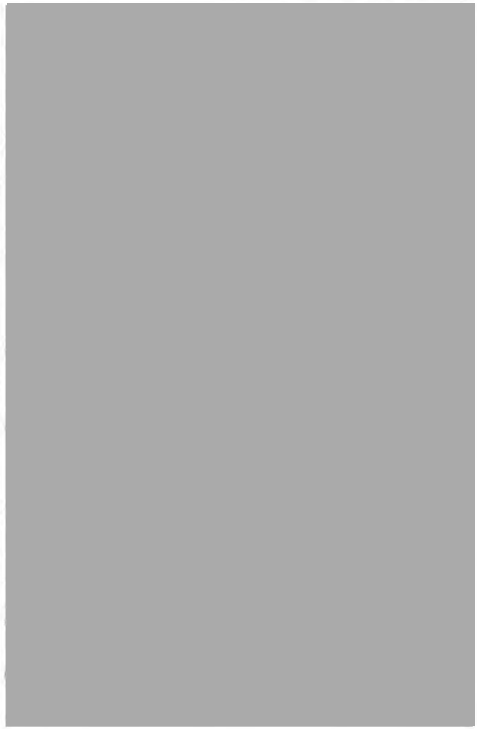



We believe that BRS is uniquely positioned to support the ECB in the execution of stress testing exercises, and we would be honored to support you in this important assignment.

Sincerely

[REDACTED]

Appendix: Overview of changes made to technical offers

Appendix: Summary of Topics discussed and changes made to BRS' Technical Offer

No.	Topic	BRS Comments	Slide reference 3	Technical Offer LOT Order 1	Slide reference Technical Offer Order 1
1					

No.	Topic	BRS Comments	Slide reference Technical Offer LOT 3	Slide reference Technical Offer Order 1
2				
3				
II				

No.	Topic	BRS Comments	Slide reference Technical Offer LOT 3	Slide reference Technical Offer Order 1
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4				
5				
6				

No.	Topic	BRS Comments	Slide reference Technical Offer LOT 3	Slide reference Technical Offer Order 1
7		<div data-bbox="183 884 438 1646" style="background-color: #cccccc; width: 100%; height: 100%;"></div>	<div data-bbox="438 504 1460 884" style="background-color: #cccccc; width: 100%; height: 100%;"></div>	<div data-bbox="438 168 1460 504" style="background-color: #cccccc; width: 100%; height: 100%;"></div>

No.	Topic	BRS Comments	Slide reference Technical Offer LOT 3	Slide reference Technical Offer Order 1
8				
v				

No.	Topic	BRS Comments	Slide reference Technical Offer LOT 3	Slide reference Technical Offer Order 1
9	[Redacted]	[Redacted]	[Redacted]	[Redacted]
VI		[Redacted]	[Redacted]	[Redacted]

No.	Topic	BRS Comments	Slide reference Technical Offer LOT 3	Slide reference Technical Offer Order 1
-----	-------	--------------	---------------------------------------	---

10			<p>(A) Review of the Model Documentation</p>	

No.	Topic	BRS Comments	Slide reference Technical Offer LOT 3	Slide reference Technical Offer Order 1
11				

No.	Topic	BRS Comments	Slide reference Technical Offer LOT 3	Slide reference Technical Offer Order 1
12				
13				
14				
15				
16				

No.

Topic

BRS Comments

Slide reference Technical Offer LOT
3

Slide reference Technical
Offer Order 1

17

[Redacted]

[Redacted]

[Redacted]

18

[Redacted]

19

[Redacted]

x

No.	Topic	BRS Comments	Slide reference Technical Offer L&OT 3	Slide reference Technical Offer Order 1
20	[Redacted]	[Redacted]	[Redacted]	[Redacted]

No.	Topic	BRS Comments	Slide reference Technical Offer LOT 3	Slide reference Technical Offer Order 1
21	[Redacted]	[Redacted]	[Redacted]	[Redacted]
22	[Redacted]	[Redacted]	[Redacted]	[Redacted]
23	[Redacted]	[Redacted]	[Redacted]	[Redacted]

No.	Topic	BRS Comments	Slide reference Technical Offer LOT 3	Slide reference Technical Offer Order 1
24	[Redacted]	[Redacted]	[Redacted]	[Redacted]
25	[Redacted]	[Redacted]		



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-RESTRICTED

Application form

**Annex 1 to Call for applications to participate
in the procurement on the provision of support for
Project Management, Quality Assurance on Asset
Quality Reviews, Stress-testing, and the provision of
Non-statutory Audit Services (PRO-000740)**

Accelerated negotiated procedure

Number of the contract notice: 2015/S 250-456382

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1. HOW TO COMPLETE THIS APPLICATION FORM

Please complete all parts of this form in black, providing all the necessary supplementary information.

Please do not alter the numbering or the format of the application form. Your answers must be concise and clearly drafted.

Please include, where appropriate, any supporting documents, marking clearly on all enclosures the name of the Candidate and the number of the question to which they refer. Where the space given for any answer is insufficient, please continue your answer on a separate page, again clearly marking the Candidate's name and the question number to which it relates.

Important

Amendments to this document or re-typing to recreate the document are not permitted.

The form must be signed handwritten by an authorised representative.

2. GENERAL INFORMATION ON THE CANDIDATE

2.1. Contact details and address

Name of the Candidate (including legal form)	BlackRock Solutions, under Legal Entity BlackRock Financial Management, Inc.
Country of registration and registration number	United States of America, SEC Registration Number 801-48433
VAT (Value Added Tax) number	N/A (the Candidate is a U.S. Entity)
Address	55 East 52 nd Street
City and postcode	New York, NY 10055
Country	United States of America
Phone number	[REDACTED]
Fax number	[REDACTED]
E-mail address	[REDACTED]
Homepage/URL	www.blackrock.com/advisory
Ownership/shareholders	Please see Appendix 1 – Ownership / Shareholders
Subsidiaries	N/A

Contact person and contact details if different from above	To the attention of: [REDACTED]
--	---------------------------------

Please describe your organisational structure including the branch offices and attach an organisation chart.

Please see Appendix 2 – Organisational Structure, at the end of the document
--

2.2. Authorised signatories

1.	Name	[REDACTED]
	Position in company	[REDACTED]
2.	Name	[REDACTED]
	Position in company	[REDACTED]

2.3. Temporary groupings

The tender is being submitted on behalf of a temporary grouping : yes <input type="checkbox"/> no <input checked="" type="checkbox"/>	
<i>If yes, please provide the following information:</i>	
Names of the members (individuals and/or companies) forming part of the temporary grouping	
Name and contact details of the authorised representative of the temporary grouping	
Detailed explanation of the responsibilities of each member (please continue on a separate sheet if necessary)	

Please note the following:

1. The representative of the temporary grouping must be authorised to report to the ECB on behalf of the temporary grouping, and to make legal statements and accept payments on behalf of the temporary grouping and of each member of it.
2. The members of the temporary grouping must co-sign this application form.
3. Each member of the temporary grouping must provide the information requested in this form. Where necessary, please duplicate the boxes and mark clearly to which member of the grouping the information relates to.

2.4. Subcontracting

Do you/your company intend to involve other individuals and/or companies as subcontractors in the performance of the contract?

yes no

If yes, please list all subcontractors and submit a separate application form for each subcontractor. Please also specify the responsibilities of each subcontractor.

Name of the subcontractor	Responsibilities

If you/your company intend/intends to rely on the capacities of subcontractors to meet the selection criteria listed in the Call for Applications, please provide a signed declaration from the subcontractor confirming that you/your company will have at its disposal the subcontractor's resources and that the subcontractor agrees to perform the parts of the Contract assigned to it should the Contract be awarded to you/your company.

3. LOTS

Please indicate in the table below by completing the yellow fields for which Lot(s) you/your company applies:

<i>Lot</i>	<i>Lot name</i>	<i>Candidate submits an application (Yes / No)</i>
Lot 1	Project Management and Organisation Services	Yes
Lot 2	Quality Assurance Services on Asset Quality Reviews (AQRs)	No

Lot 3	Support Services with regard to Stress-testing	Yes
Lot 4	Non-statutory Audit Services	Yes

4. ECONOMIC AND FINANCIAL CAPACITY OF THE COMPANY

4.1. Credit ratings/scoring databases, if applicable

Name of credit rating/scoring databases	Registration number
Dun & Bradstreet	78-698-7052

4.2. Professional risk indemnity insurance and/or third party/civil liability insurance

<p>Please confirm that your company has a professional risk indemnity insurance and/or third party/civil liability insurance in place.</p> <p style="text-align: right;">yes <input checked="" type="checkbox"/> no <input type="checkbox"/></p>

5. PROFESSIONAL AND TECHNICAL CAPACITY OF THE COMPANY

5.1. Candidate's experience

Please refer to Annexes 2.1 to 2.4 (Minimum Requirements) and Annexes 3.1 to 3.4 (Specification of Candidates experience).

The Candidate shall confirm meeting the minimum requirements with regard to **Candidate's experience** by completing and submitting to the ECB as part of Candidate's Application Section 1 of Annex 2.1, Annex 2.2, Annex 2.3 and/or Annex 2.4 (Minimum Requirements) and Annex 3.1, Annex 3.2, Annex 3.3 and/or Annex 3.4 (Specification of Candidates experience) for each Lot for which the Candidate submits an Application. Please note that a dedicated Annex 2 (Minimum Requirements) and Annex 3 (Specification of Candidates experience) has been provided for each individual Lot.

5.2. System of quality assurance

Please refer to Annexes 2.1 to 2.4 (Minimum Requirements).

The Candidate shall confirm meeting the minimum requirements with regard to the **system of quality assurance** by completing and submitting to the ECB as part of Candidate's Application Section 2 of Annex 2.1, Annex 2.2, Annex 2.3 and/or Annex 2.4 (Minimum Requirements) for each Lot for which the Candidate submits an Application. Please note that a dedicated Annex 2 (Minimum Requirements) has been provided for each individual Lot.

The Candidate shall complete and submit to the ECB as part of Candidate's Application Annex 2.1, Annex 2.2, Annex 2.3 and/or Annex 2.4 (Minimum Requirements) for each Lot for which the Candidate submits an Application. Please note that a dedicated Annex 2 (Minimum Requirements) has been provided for each individual Lot.

5.3. Pool of Professionals

Please refer to Annexes 2.1 to 2.4 (Minimum Requirements).

The Candidate shall confirm meeting the minimum requirements with regard to the pool of Professionals by completing and submitting to the ECB as part of Candidate's Application Section 3 of Annex 2.1, Annex 2.2, Annex 2.3 and/or Annex 2.4 (Minimum Requirements) for each Lot for which the Candidate submits an Application. Please note that a dedicated Annex 2 (Minimum Requirements) has been provided for each individual Lot.

5.4. Teams of Professionals – only applicable to Lot 2 (Quality Assurance Services on Asset Quality Reviews (AQRs)) and Lot 4 (Non-statutory Audit Services)

Please refer to Annex 2.2 (Minimum Requirements – Lot 2) and/or Annex 2.4 (Minimum Requirements – Lot 4).

The Candidate shall confirm meeting the minimum requirements with regard to having among the pool of available Professionals defined in item 3 above, a [REDACTED] who individually possess in-depth knowledge and experience in assessing at least one of the 5 Areas (i) Asset quality, (ii) Accuracy of carrying values of banks' assets, (iii) Derivative pricing model review, (iv) Accounting practices, processes and policies, and (v) Capital position), with the aim to cover all 5 Areas, in the applicable Language(s).

SELF-DECLARATION

6. DECLARATION OF HONOUR

Please confirm that you/your company meet/meets the eligibility criteria set out in Article 24 of Decision ECB/2007/5 (as amended) by ticking the corresponding boxes. Any comments or limitations to these binding confirmations must be clearly specified within your offer.

I/We hereby confirm that:	
1. I/We have not been the subject of a judgment which has the force of <i>res judicata</i> for fraud, corruption, money laundering, involvement in a criminal organisation or any other illegal activity detrimental to the financial interests of the European Union, the ECB or any national central bank.	<input checked="" type="checkbox"/>
2. I am/we are not bankrupt, nor being wound up, nor am I/are we having my/our affairs administered by the courts, nor have I/we entered into an arrangement with creditors or suspended business activities, nor am I/are we the subject of proceedings concerning those matters or in any analogous situation arising from a similar procedure provided for in national legislation or regulations.	<input checked="" type="checkbox"/>
3. I/We have not been convicted of an offence concerning my/our professional conduct by a judgment which has the force of <i>res judicata</i> .	<input checked="" type="checkbox"/>
4. I/We have not been guilty of grave professional misconduct.	<input checked="" type="checkbox"/>
5. I/We have fulfilled all obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which I am/we are established or with those of the country of the contracting authority or those of the country where the contract is to be performed.	<input checked="" type="checkbox"/>
6. I/We have not been declared by a court or an arbitration tribunal to be in serious breach of contract for failure to comply with my/our contractual obligations following another tender procedure.	<input checked="" type="checkbox"/>
7. I/We/our firm, management, staff or agents am/are/is not subject to a conflict of interest. Conflicts of interest arise where your firm, your management, staff or agents have private or personal interests which may influence or appear to influence the impartial and objective performance of your/their duties. Private or personal interests mean any potential advantage for your firm, your management, staff or agents, their families, their other relatives or their circle of friends and acquaintances.	<input checked="" type="checkbox"/>
8. I am/We are not guilty of serious misrepresentation in supplying the information required by the ECB.	<input checked="" type="checkbox"/>
9. I/We have not contacted any other candidates or tenderers with the purpose of restraining competition.	<input checked="" type="checkbox"/>

Prior to invitation to tender, the ECB will request the applicants, considered for short-listing, to submit the documents listed in the Application form. The applicants, considered for short-listing, shall submit the documents below upon request within two weeks. Failure to comply may lead to the exclusion of your application from the tender procedure:

- Proof of signing power (e.g. commercial register/power of attorney);
- Official certificate proving that your company has paid its social security contributions;
- Official certificate proving that you/your company have/has paid its taxes;
- Extract from the judicial record (or equivalent document issued by a competent judicial or administrative authority) proving that you/your company are/is not in one of the situations listed under item 1, 2 or 3 above;
- Documents proving your/your company's overall economic and financial capacity, i.e. profit and loss statements and balance sheets or extracts thereof for at least the three financial years specified in Section 3. If the accounts for these financial years have not been closed yet or if the (company) law of the country where you/your company are/is established does not require you to publish the profit and loss statement and/or balance sheet, please submit equivalent documentation.
- A copy of the professional risk indemnity insurance and/or third party/civil liability insurance as indicated in your application.

The certificates/records must not be older than one year, counted from the date of submission of your application. If the country where you/your company are/is established does not issue such documents or certificates, please submit a declaration on oath or a solemn declaration before a competent judicial or administrative authority, a notary or a competent professional or trade body in that country.

The ECB reserves the right to check the documents and information provided. With regard to your / your company's financial status, the ECB may, in particular, consult databases and credit scoring / rating agencies. Depending on the outcome hereof the ECB may request additional information and/or clarification. In duly justified cases the ECB may hereafter request a financial guarantee or undertake other measures as the case may be.

7. DECLARATION

I/We hereby confirm with regard to the entire tender procedure that:

1. I/we submit ourselves to the terms and conditions of the tender procedure, as defined in Decision ECB/2007/5 (as amended) laying down the rules on procurement, the Call for applications (including its annexes) and Invitation to tender (including its annexes);
2. the information provided in the application/tender, including all the attachments and subsequent amendments, is complete and accurate to the best of my/our knowledge, and that I/we have not modified the Application form except by filling in the requested information;
3. I/we will inform the ECB without undue delay if circumstances arise in the course of the procedure which affect the information provided in this Application form;
4. I/we understand that false information could result in my/our exclusion from consideration for future contracts.



Name: 	Name:
Date: 14 JANUARY 2016	Date:
	Signature:

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- 2. BlackRock Appendix 2 – Answer to question 2.1 on Organisational Structure.....13**

1. BlackRock Appendix 1 – Answer to question 2.1 on Ownership / Shareholders

BlackRock, Inc. (“BlackRock”) is the ultimate parent company for the proposed BlackRock contracting entity, BlackRock Financial Management, Inc.



2. BlackRock Appendix 2 – Answer to question 2.1 on Organisational Structure



BlackRock's Global Footprint and Branch Offices





BlackRock Business Overview



BlackRock Solutions Business Overview



BlackRock Solutions – Financial Markets Advisory



Information Barrier Policies and Procedures Applicable to FMA





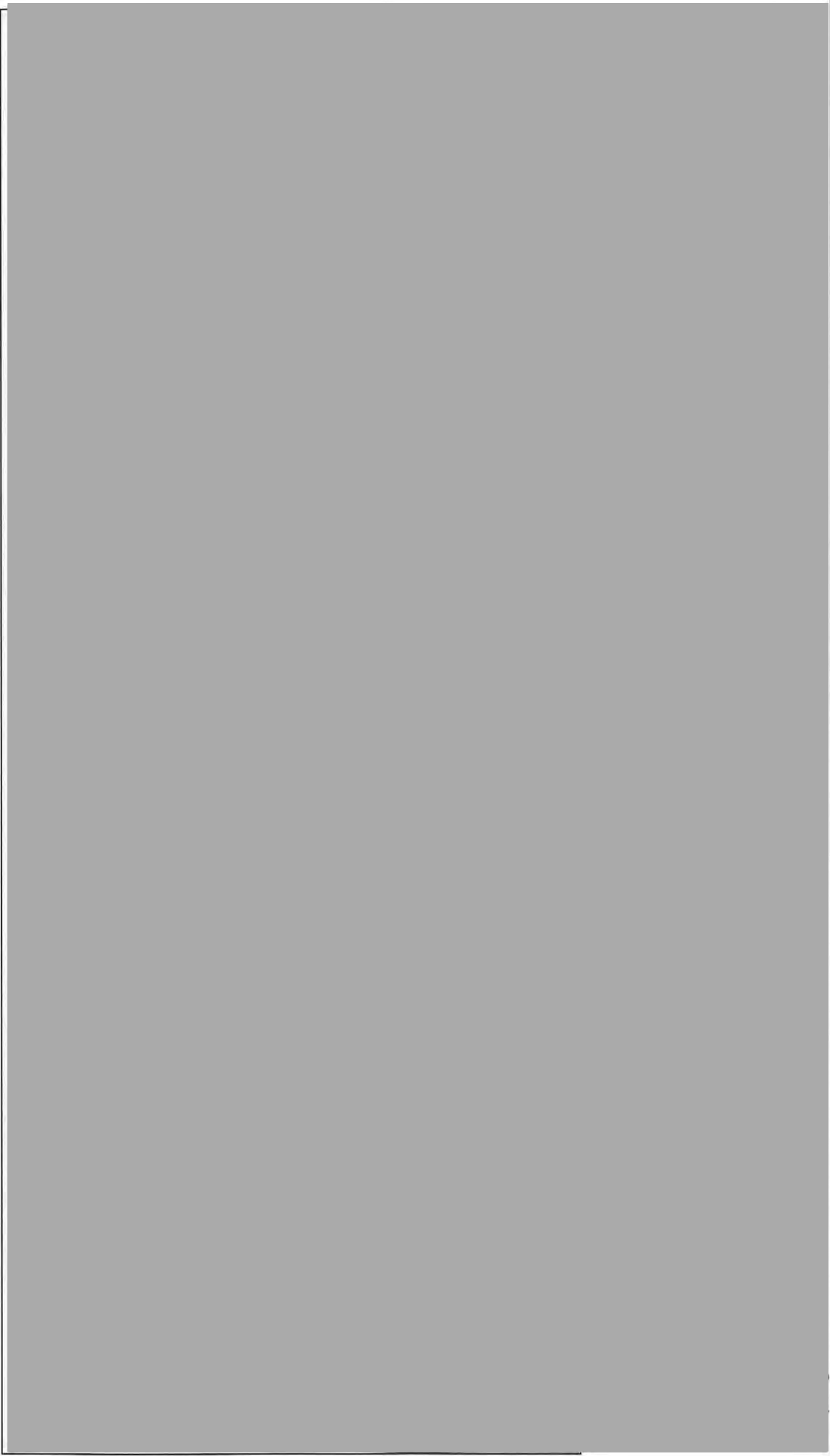
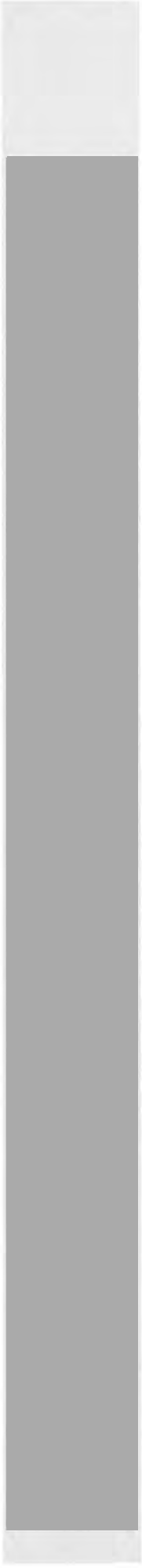
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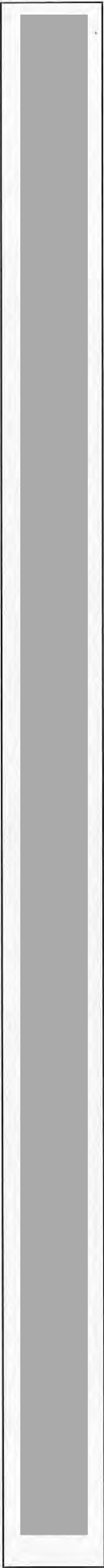
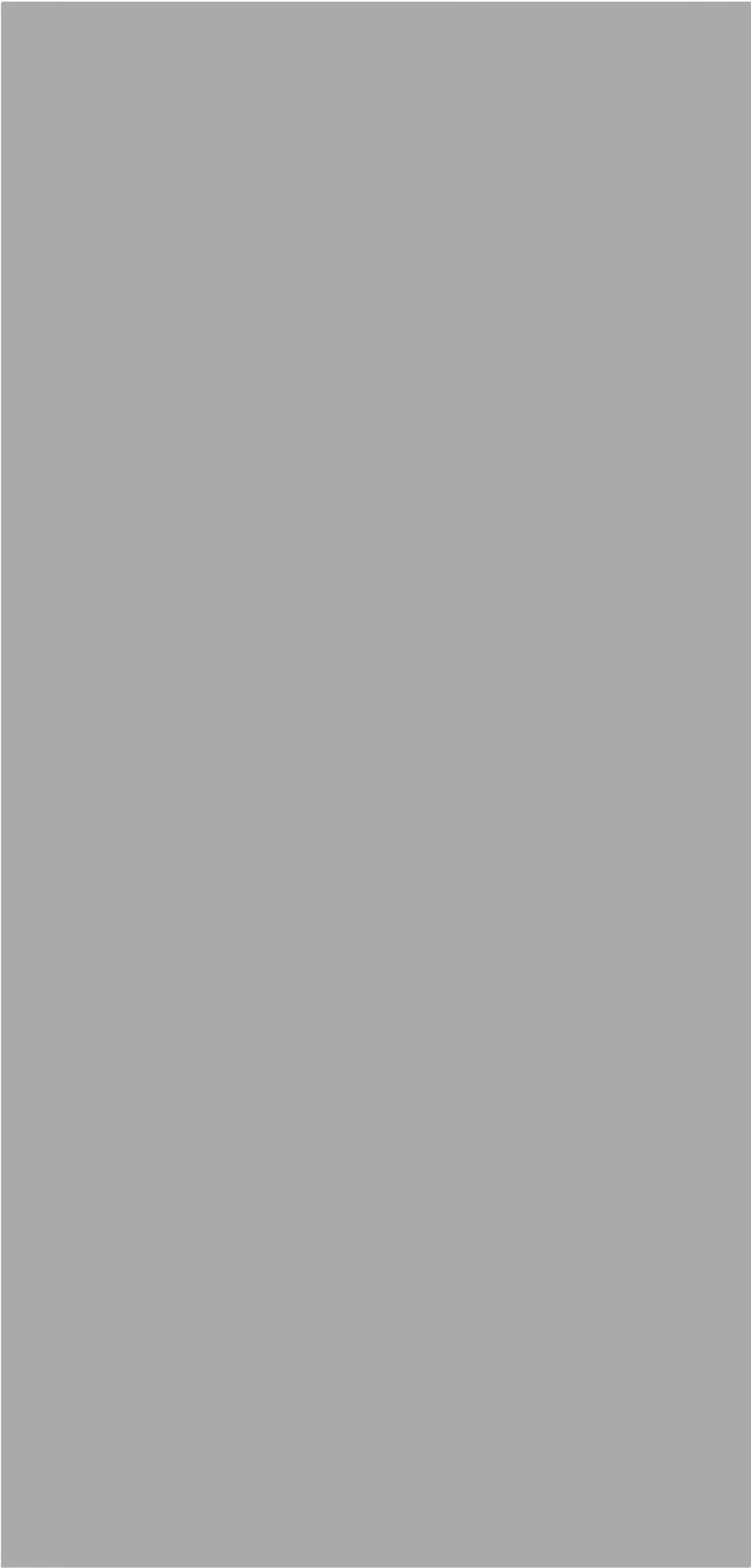
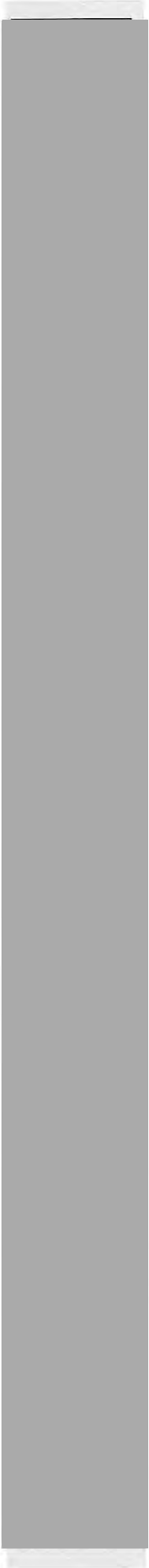
**Technical Offer
Lot 3, 2.A, Framework Agreement**

**Revised Version
17 March 2016**



EUROPEAN CENTRAL BANK
EUROSYSTEM





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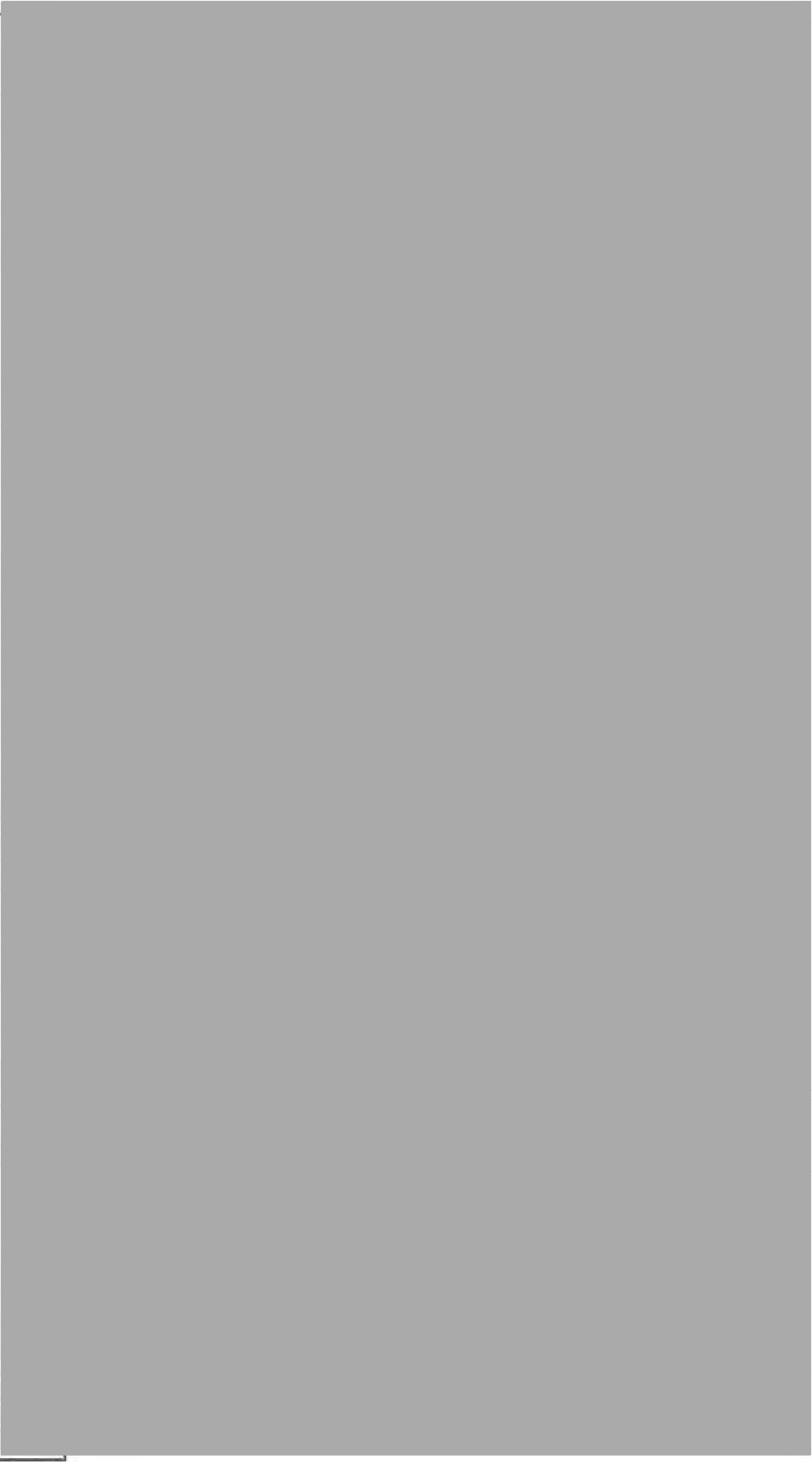
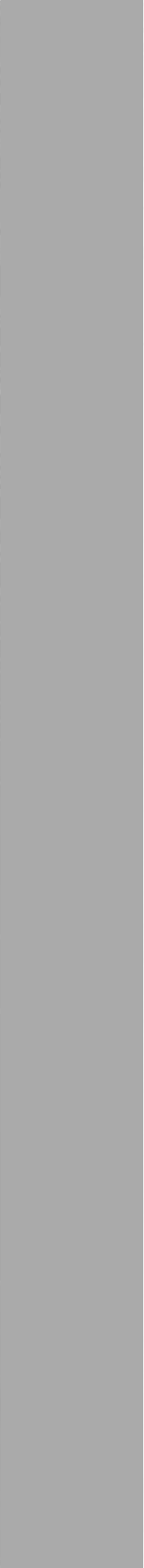
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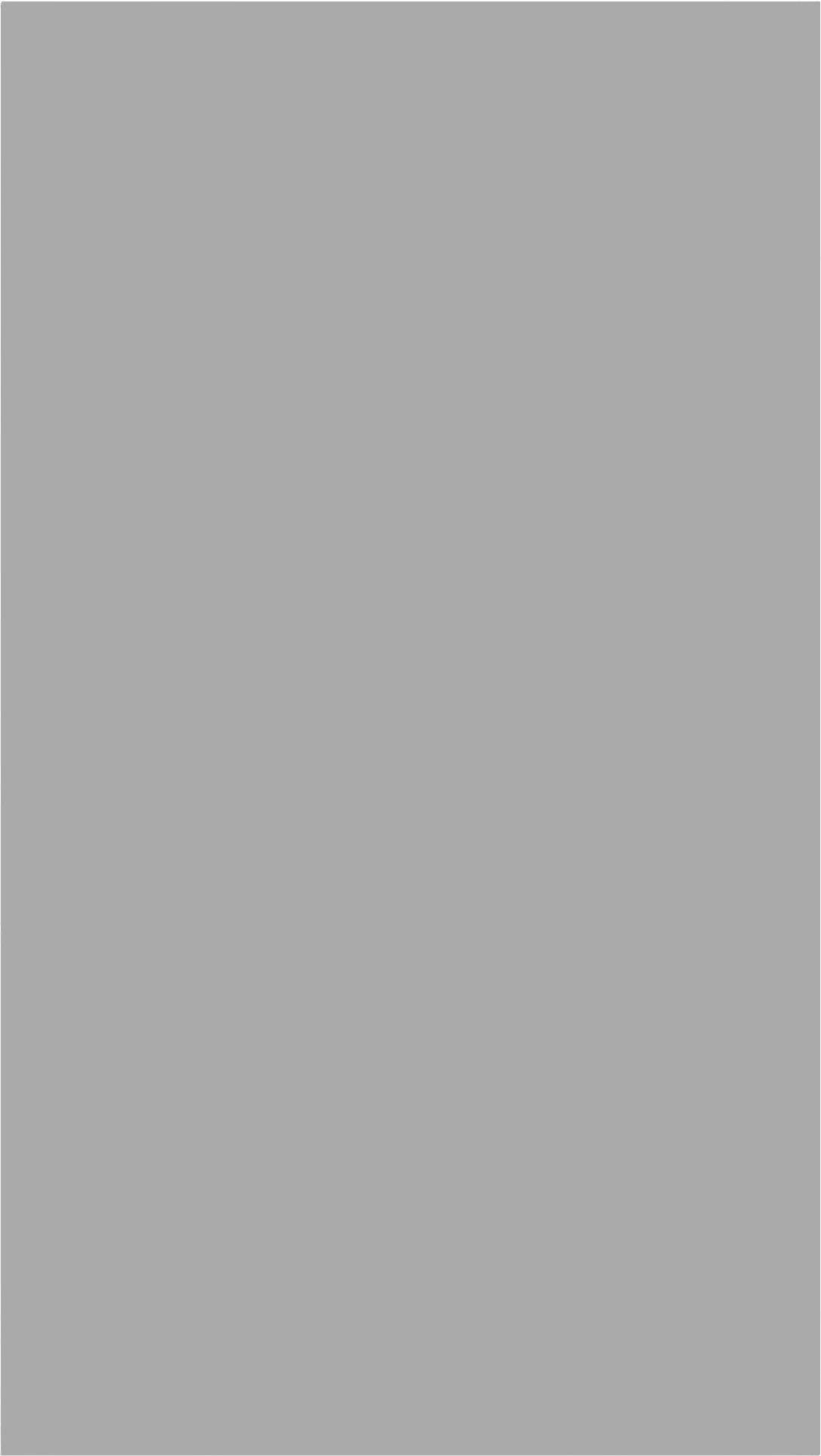
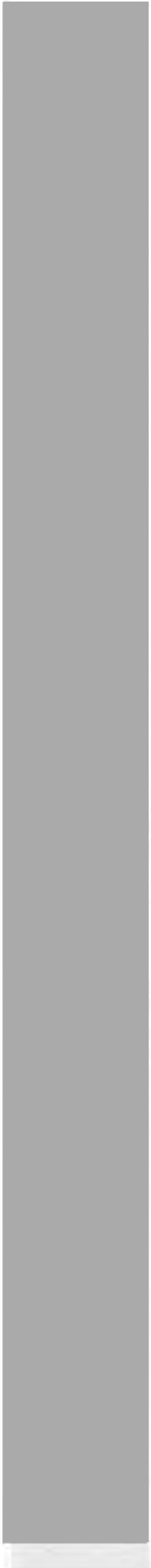
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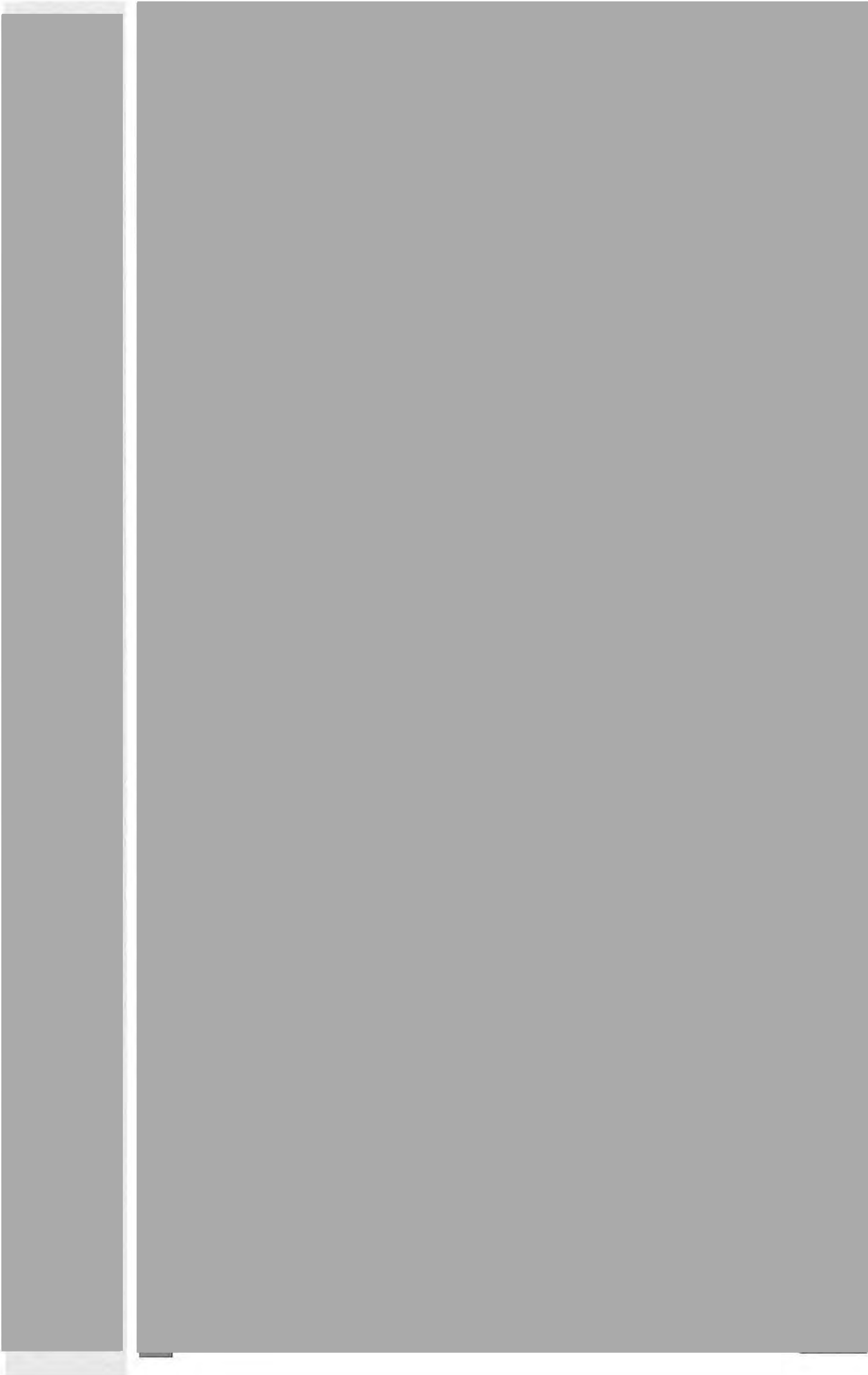
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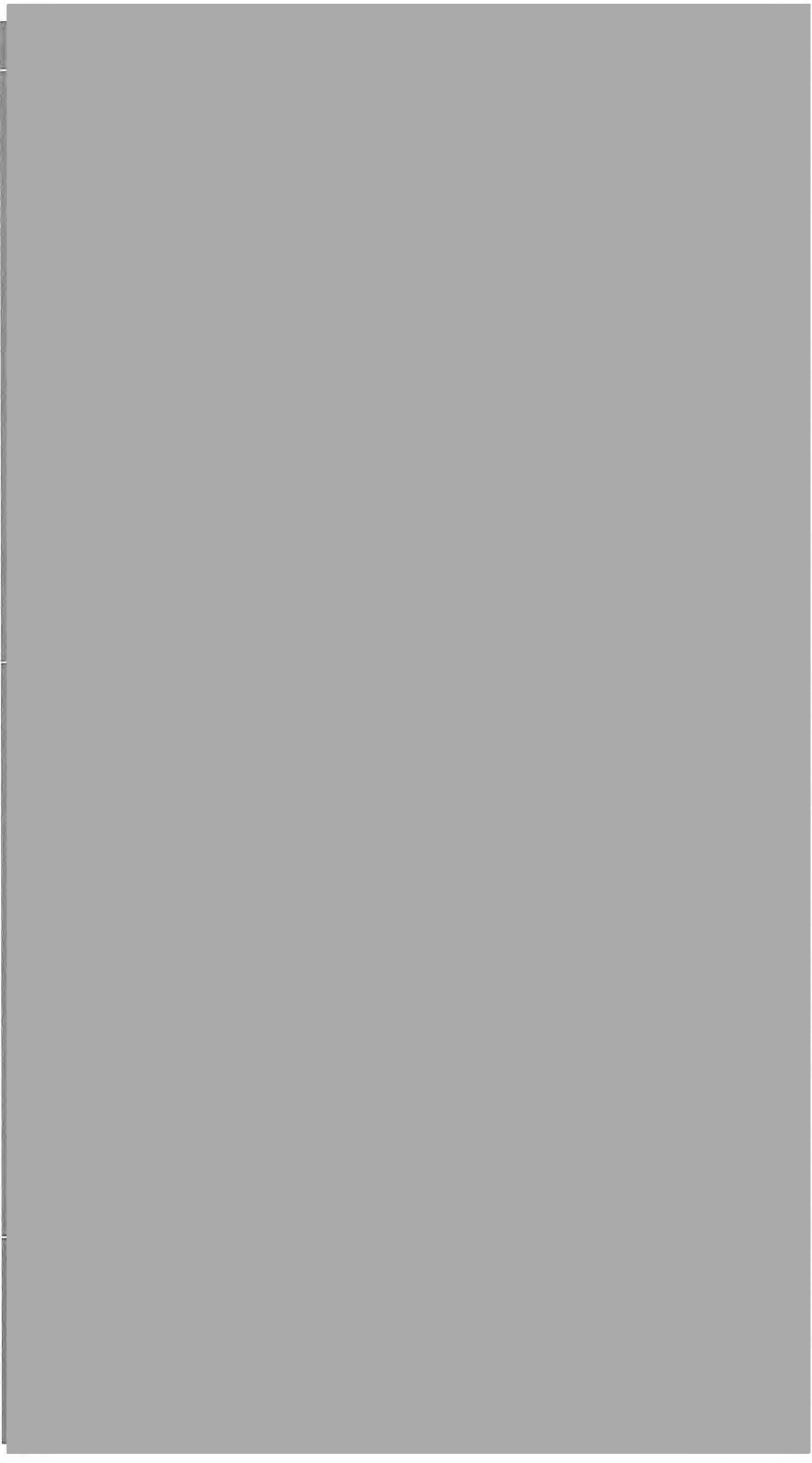
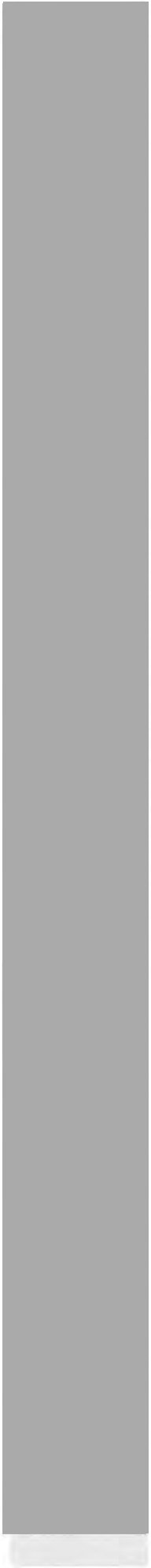
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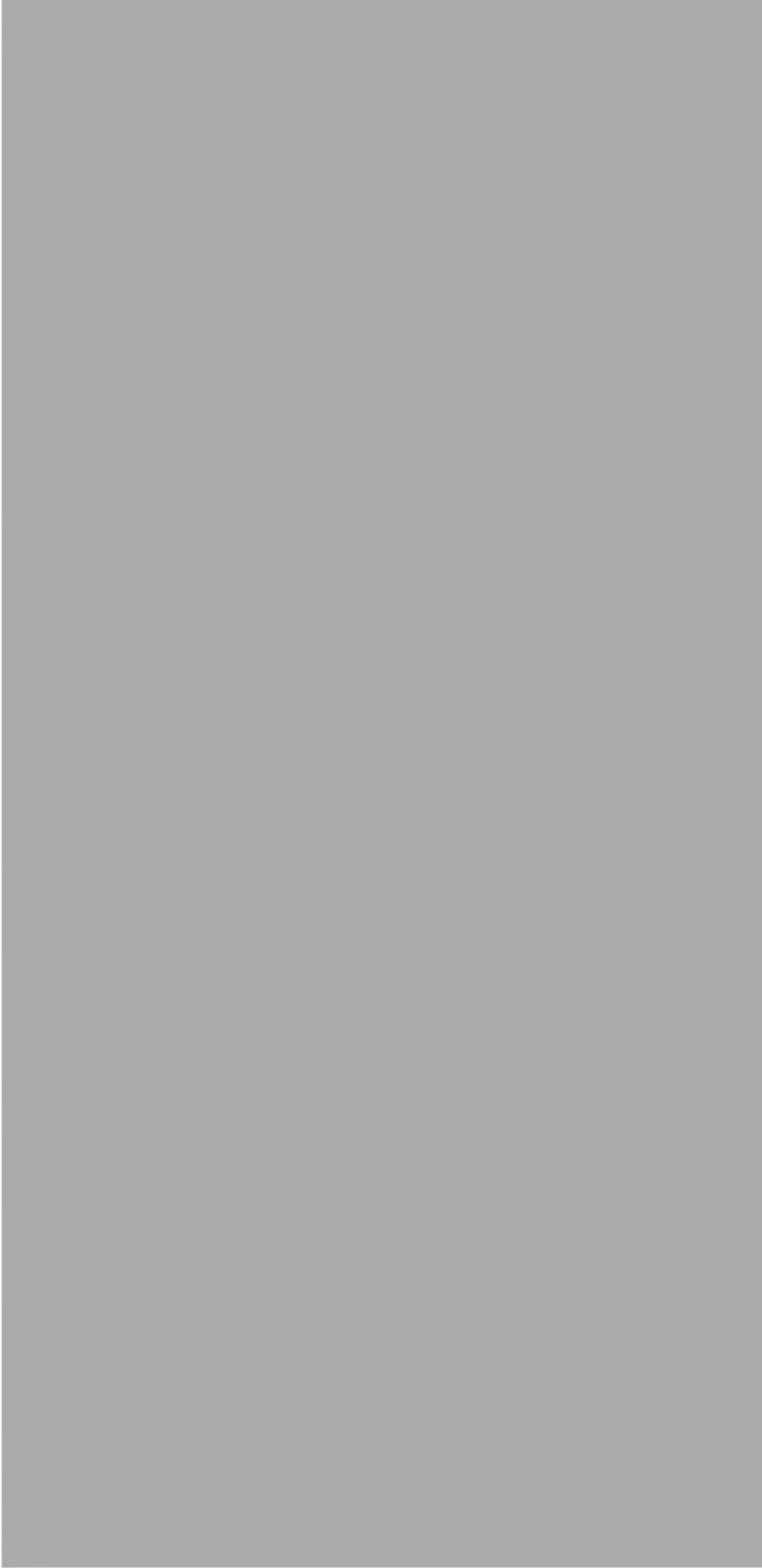
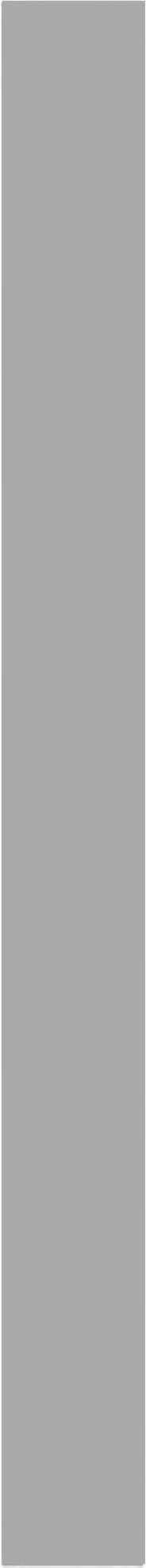


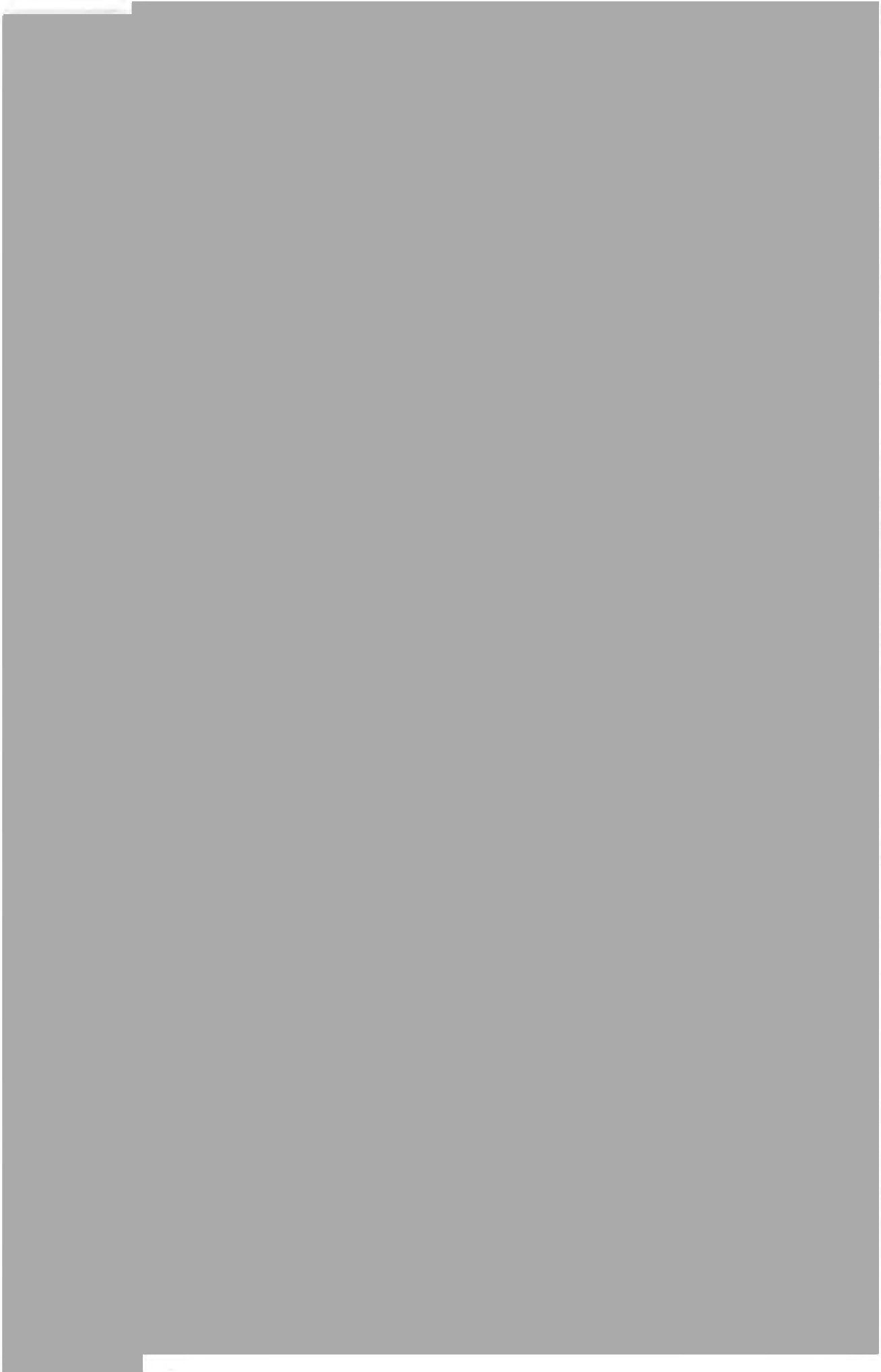


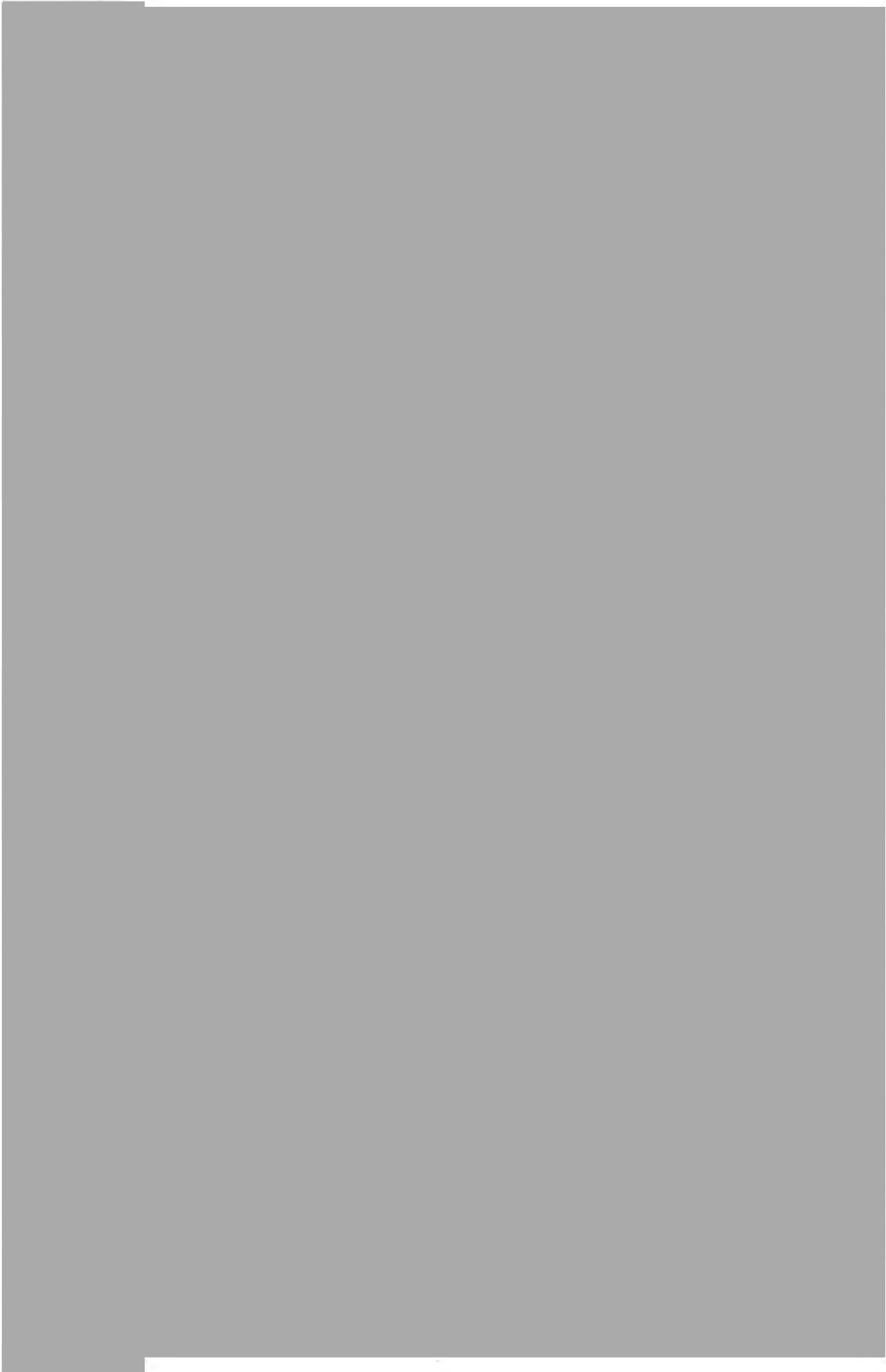










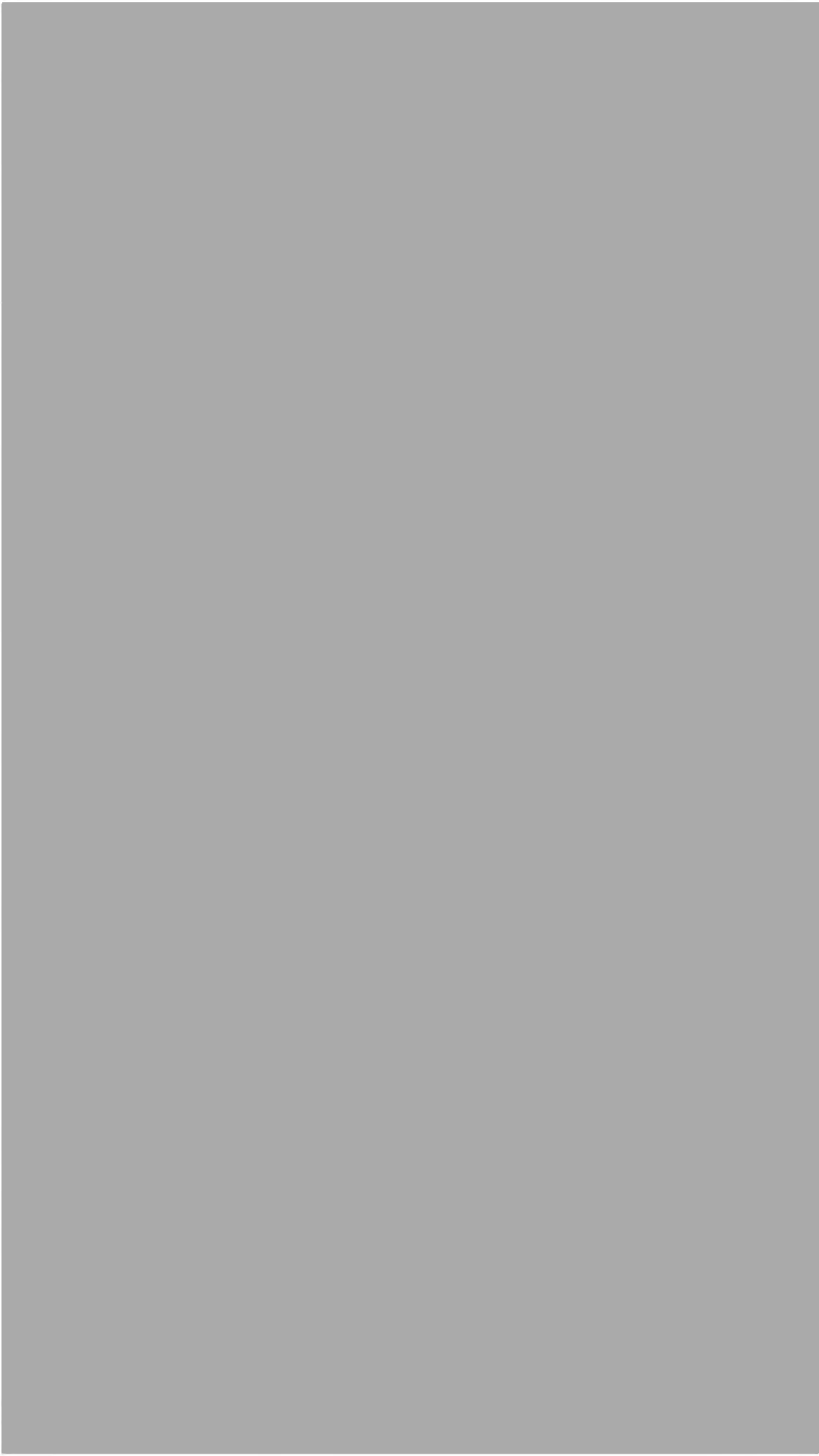
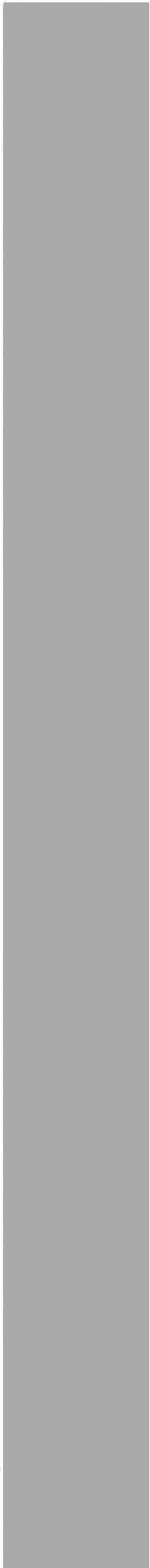


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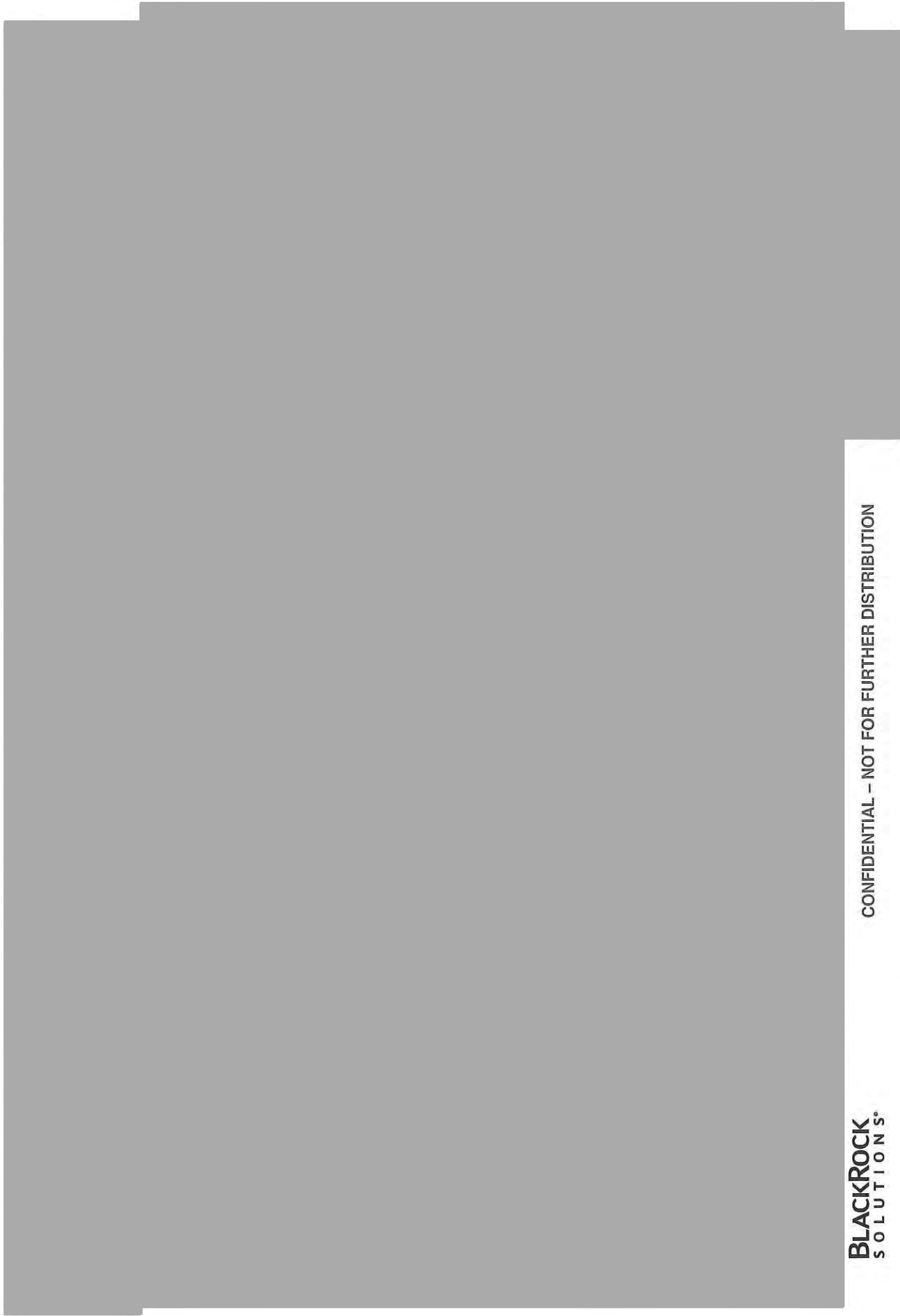
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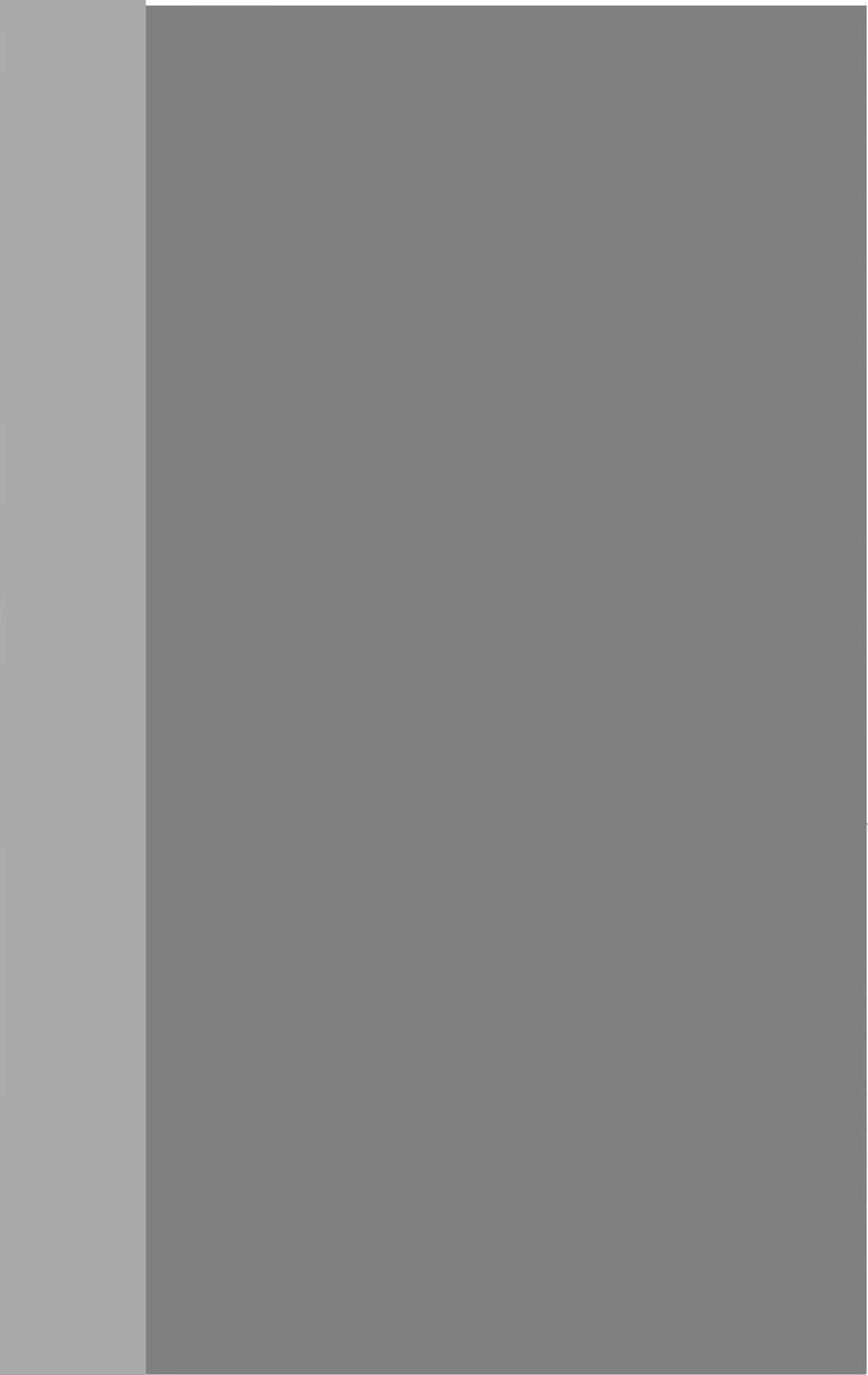
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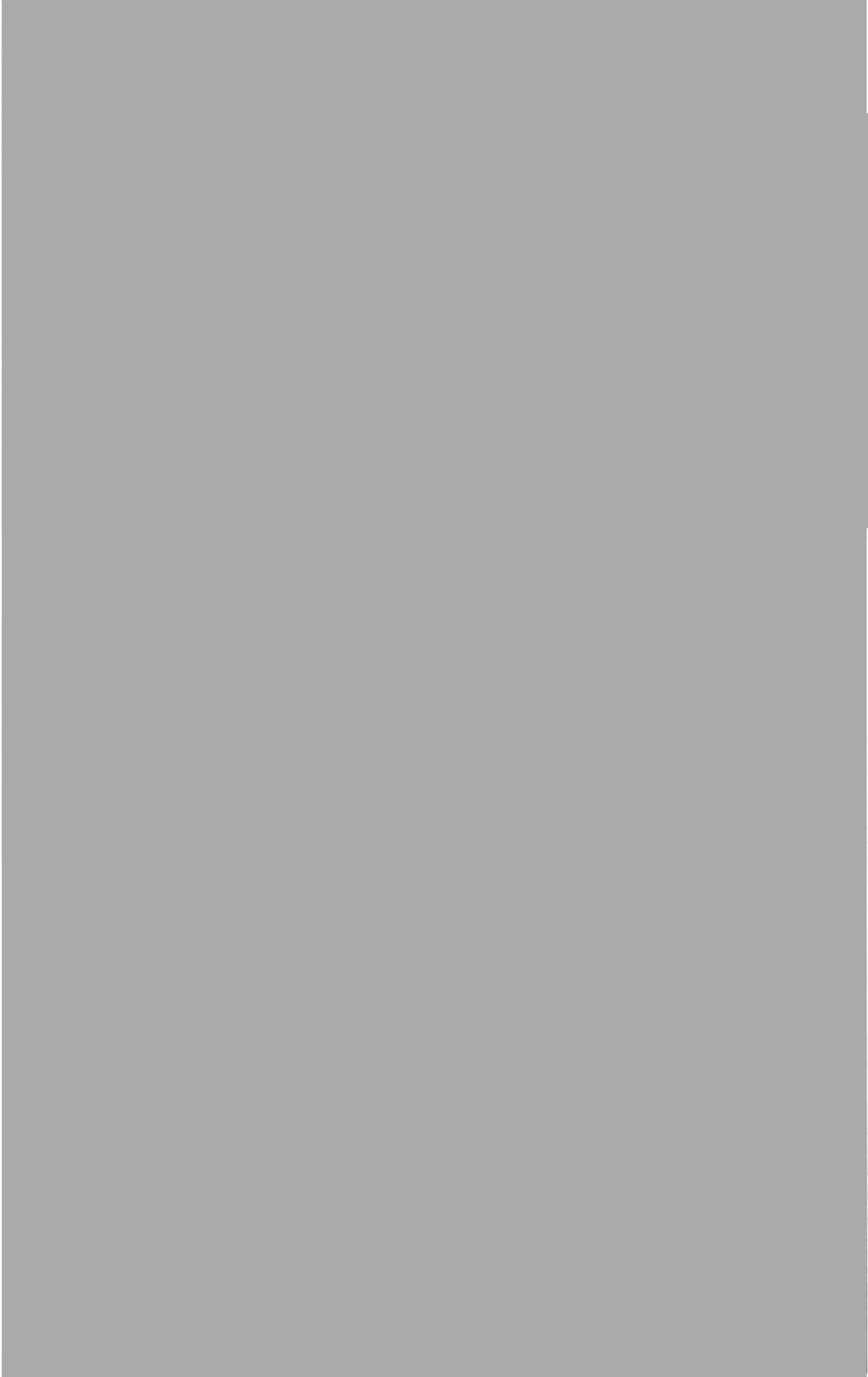


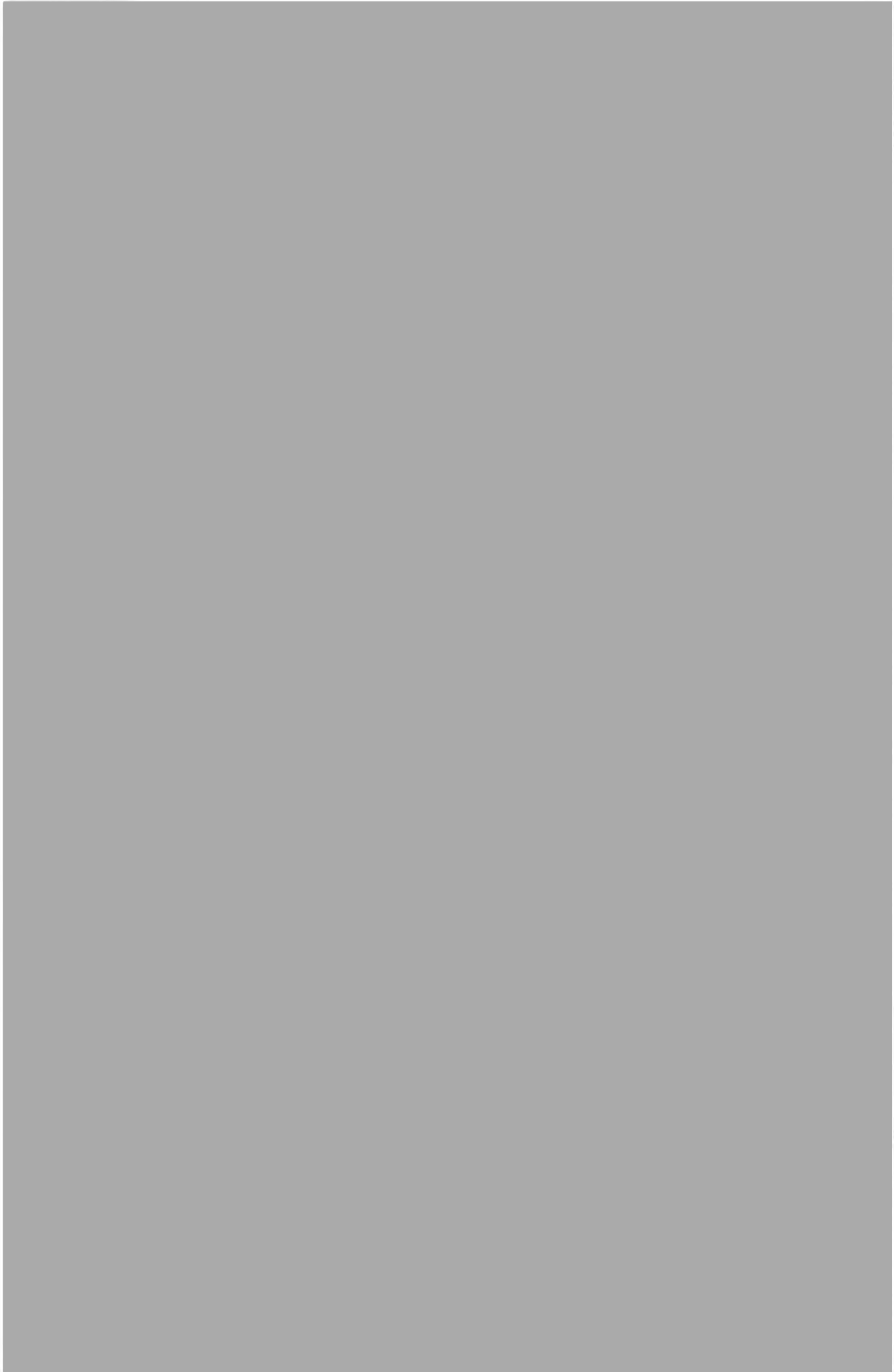


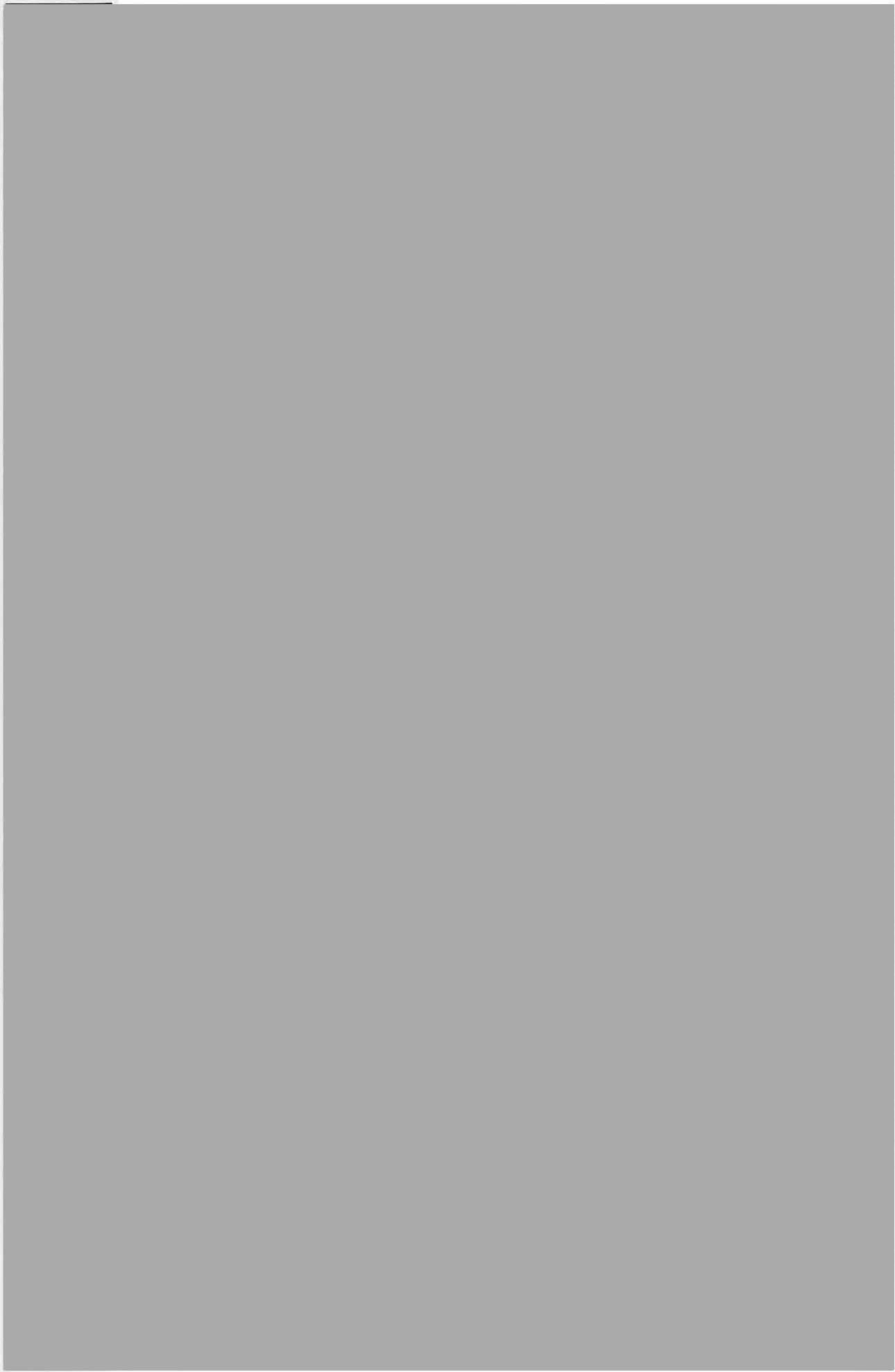












Annex 2.1 - Lot 3 - Register A: Quality of Tenderer's entire pool of Professionals

DO NOT USE - EXAMPLE	Tenderer's name	DO NOT USE - EXAMPLE	DO NOT USE - EXAMPLE

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PLEASE DO NOT WRITE ANYTHING BELOW

PLEASE DO NOT WRITE ANYTHING BELOW

Annex 22 - Lot 3 - Register B: Quality of the Individual Professionals proposed as members of Hypothetical Teams for designated Competences

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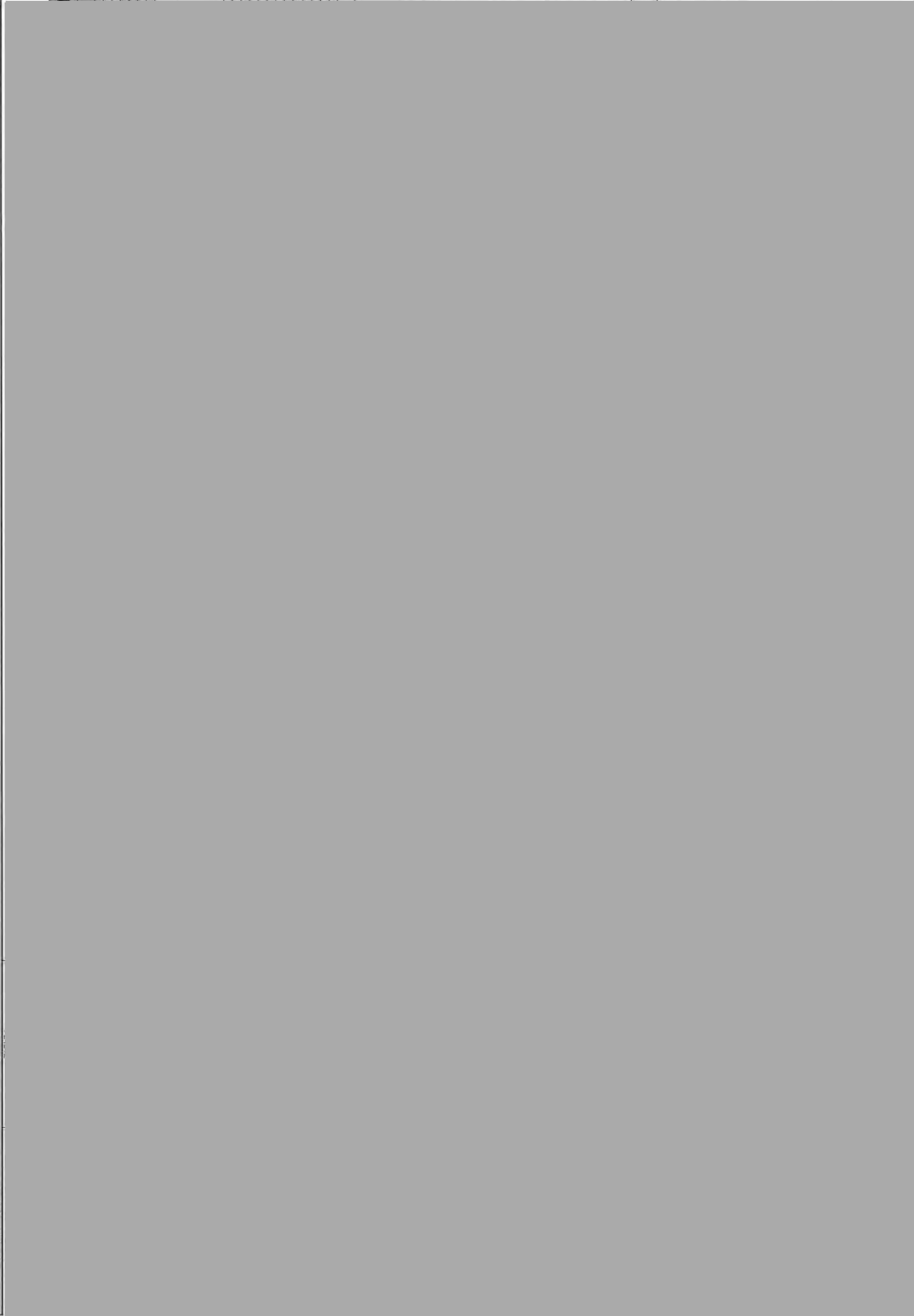


TABLE 2
Vendor's name: BlackRock Financial Management, Inc.

TABLE 1
Tender's name: BlackRock Financial Management, Inc.



TABLE 1
Vendor's name: SusRock Financial Management, Inc.



TABLE 1
Lender's name: BlackRock Financial Management, Inc.

TABLE 1
Tender's name: BlackRock Financial Management, Inc.

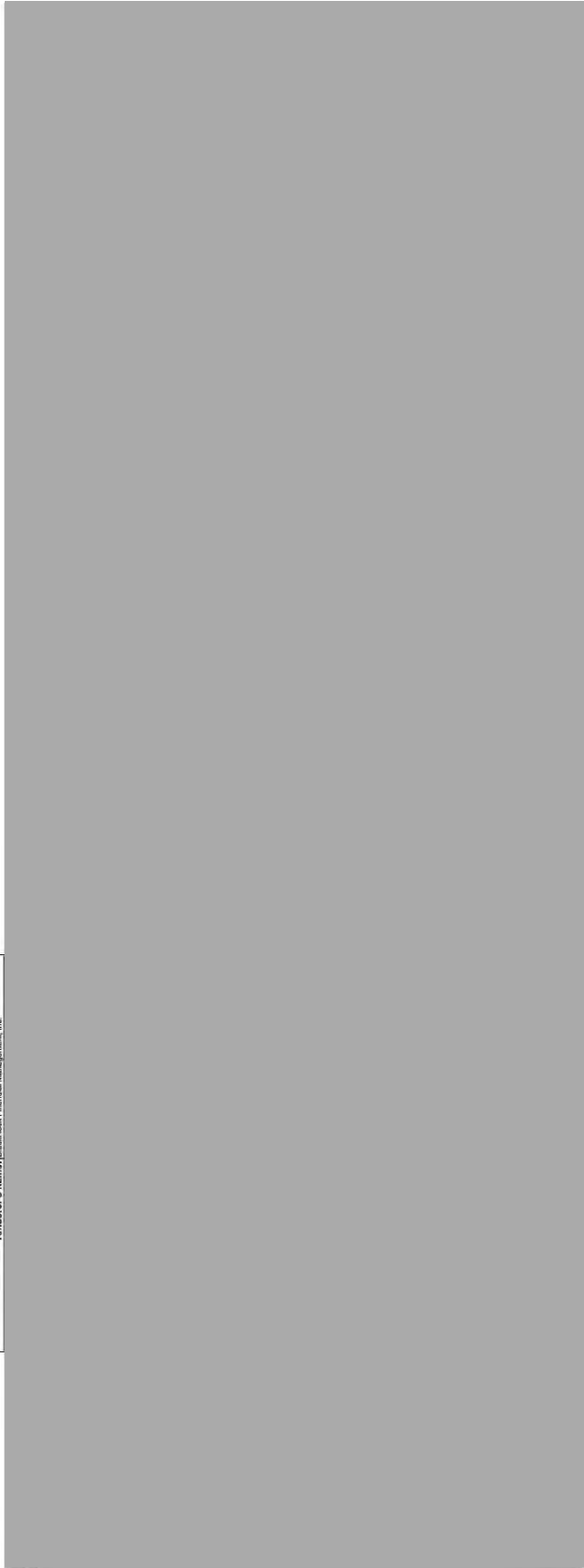


TABLE 1
Tender's name: Bank of Montreal



END END END END END

ECB-RESTRICTED

Tenderer's name: BlackRock Financial Management, Inc.

Annex 2.3 – Lot 3 - Register C: Declaration on tender documents and draft contract

Please print out this section and confirm that you satisfy the requirements below by ticking the corresponding boxes.

The Tenderer hereby confirms that...	yes
1 it has checked the tender documents for completeness and satisfied itself that no pages are missing.	<input checked="" type="checkbox"/>
2 it has read the procedure documents completely.	<input checked="" type="checkbox"/>
3 it has a clear and unequivocal understanding of the contents of the tender documents, if applicable, after consultation with the inviting authority.	<input checked="" type="checkbox"/>
4 it is not committing misrepresentation in supplying the information required by the ECB and all information and documents that it has submitted together with its offer are true and complete.	<input checked="" type="checkbox"/>
5 it agrees to the conditions of the draft Contract, unless it has submitted proposed amendments in writing in accordance with Chapter III, Section 7 of the ITT.	<input checked="" type="checkbox"/>
6 it acknowledges the binding nature of all other stipulations and provisions included in the tender documents.	<input checked="" type="checkbox"/>
7 (i) the contents of the hard copy version and the digital version of the tender are identical and (ii) that they are aware of the legally binding character of the hard copy version and (iii) that they did not make any changes to the tender documentation provided by the ECB, except for requested information which the Tenderer inserted into the digital forms.	<input checked="" type="checkbox"/>
8 its offer includes all services stated in the tender documents and – if and to the extent gaps were apparent to it – its offer also includes services that are not expressly stated in the tender documents but are required to complete the task.	<input checked="" type="checkbox"/>
9 it has taken the local conditions into account in calculating its offer and has also examined and evaluated all other circumstances that might have a bearing on the price.	<input checked="" type="checkbox"/>
10 it will treat all information contained in the ITT and all information and documentation received by the ECB during the entire procurement procedure as confidential. In particular, the Tenderers, their contractors, business partners, and any other persons involved by them in the procedure must not: (a) Pass on any information relating the tender documentation or the ECB to unauthorised persons; or (b) Use such information for own individual or collective purposes without having received prior permission in writing from the ECB.	<input checked="" type="checkbox"/>
11 the Professionals proposed to provide the Services shall not have a conflict of interest between the company's interest and the ECB's interests (financial, business, employment or other relationship) that might compromise an independent provision of Services.	<input checked="" type="checkbox"/>
12 all Professionals have advanced oral, reading, and writing skills in all the applicable Languages, in accordance with the Common European Framework of Reference (CEFR) C1 level or equivalent.	<input checked="" type="checkbox"/>




ECB-RESTRICTED

Declaration to be given by the duly authorised officer(s) of the Tenderer's organisation:

(In case of temporary groupings, this declaration is to be signed by each member of the grouping)

I/we certify that

- 1. I/we affirm the terms and conditions contained in this tender, especially the terms regarding confidentiality;**
- 2. The information contained in the Tenderer's Declaration is complete and accurate to the best of my/our knowledge;**
- 3. The information contained in Annexes 2 and 3 is complete and accurate to the best of my/our knowledge;**
- 4. All necessary proofs are submitted with this tender and are complete and accurate to the best of my/our knowledge.**

Name: 	Name:
Position: 	Position:
Signature: 	Signature:
Date: 25/02/2016	Date:

Annex 2.4 – Lot 3 - Register D: Tenderer’s profile

Tenderer's name: BlackRock Financial Management, Inc.
--

1.1. Contact details and address

Name of the Candidate (including legal form)	BlackRock Solutions, under Legal Entity BlackRock Financial Management, Inc.
Country of registration and registration number	United States of America, SEC Registration Number 801-48433
Date of incorporation or establishment	21/10/1994
VAT (Value Added Tax) number	N/A (the Candidate is a U.S. Entity)
Address	55 East 52nd Street
City and postcode	New York, NY 10055
Country	United States of America
Phone number	[REDACTED]
Fax number	[REDACTED]
E-mail address	[REDACTED]
Homepage/URL	www.blackrock.com/advisory
Membership in professional associations	N/A

ECB-RESTRICTED

Ownership/shareholders	
Subsidiaries	N/A
Contact person and contact details if different from above	

1.2. Authorised signatories

1.	Name	
	Position in company	
	Professional qualifications	N/A
2.	Name	
	Position in company	
	Professional qualifications	N/A

Annex 3.1: Financial Offer - Lot 3: Support with regard to Stress-testing - Framework Agreement

Tenderer's name: BlackRock Financial Management, Inc.

Please note that:

1. The Tenderer shall complete call A3 with its name, complete call A30 with the date, and duly sign the Financial offer below.
2. The Tenderer shall submit its financial offer by completing the yellow fields in both tables below.
3. The daily rates quoted shall cover up to 10 working hours a day.
4. The daily rates shall be stated in euro exclusive of VAT.
5. The daily rates quoted by the Tenderer shall cover all costs and expenses relating to the performance of the Contract, in particular expenses for IT equipment, accommodation, travel and subsistence. Travel time shall not be remunerated.
6. The daily rates will be charged pro rata in case services are provided by Professionals for parts of a day.
7. The rates are maximum rates. Rates for specific Orders may be lower, but must not exceed these maximum rates.
8. Amendments to the below price tables are not allowed.



Signature: 

Date: 17.03.2016

Annex 2.0

ECB's House Rules for External Staff

House rules of the European Central Bank for external staff

§ 1 Scope of application

1. These house rules apply to all contractors (the 'Contractors') working on the premises of the European Central Bank (ECB) as well as to their directors, agents, staff, free-lancers and subcontractors (collectively referred to as 'External staff'). The house rules form an integral part of the contract concluded between the ECB and the Contractor (the 'Contract'). In the event of a conflict, the Contract prevails.
2. ECB business areas may specify these house rules, within reasonable limits, by way of instructions to External staff working for them and may issue further guidelines and instructions on how to behave on the ECB's premises.
3. Contractors shall comply with, and ensure that their External staff comply with, these house rules and any additional guidelines and instructions issued by the ECB business area for which they are working.

§ 2 Access to ECB premises; security clearance

1. To access the ECB's premises External staff need either a personalised security badge or a visitor badge. Badges are for personal use only and are to be worn visibly at all times. In case of loss, External staff shall inform the ECB's Security Division (Extension: 069/1344-8487) thereof without undue delay.
2. External staff that have to perform duties and tasks on behalf of the Contractor at the ECB's premises, and, to this end need to move freely and unescorted on the ECB's premises, shall have a personalised security badge or an unescorted visitor badge. The issuance of such badges is subject to prior security clearance. To obtain prior security clearance, the Contractor shall provide the ECB, prior to the assignment and at the Contractor's own expense, with
 - a security self-declaration signed by the respective member of the External staff;
 - a consent form signed by the respective member of the External staff;
 - a criminal record certificate issued by the competent authority of the State of residence of the respective member of the External staff, which, in accordance with the applicable laws, lists any criminal offences for which the respective member of the External staff has been convicted or states any other adverse information (the 'Certificate of criminal record'). The Certificate of criminal record shall not be older than two months on the date it is submitted to the ECB.The ECB will provide the Contractor with the relevant forms.
3. The Contractor shall submit all security self-declarations, consent forms and certificates of criminal record in one or more separately sealed envelope(s) to the following address: European Central Bank, Security Division, Sonnemannstraße 22, 60314 Frankfurt am Main, Germany. The envelope shall mention the words 'Security clearance' and refer to the Contract.
4. The ECB will within a reasonable time after receipt of the above-mentioned documents, conduct a security clearance check for each member of External staff in accordance with its security clearance rules and inform the Contractor about the decision taken.
5. The ECB reserves the right to refuse access to the ECB's premises to External staff for whom a security clearance check has not been conducted or for whom no security clearance has been given.
6. On the ECB's premises, access to certain offices (red dot offices) or certain areas is restricted. External staff shall not enter into such offices or areas unless explicitly authorised to do so. The access to highly secured areas (so-called security zone

5) requires a special personalised badge including biometric enrolment.

ECB-PUBLIC

§ 3 General security rules

1. External staff shall comply with the following security rules:
 - valuable personal belongings shall not to be left unattended. Any loss or suspected theft of either ECB or personal property shall be reported to the ECB's Security Division immediately. Lost and found items shall be reported or handed in to the ECB's Security Service Centre or security staff;
 - candles and other naked flames are prohibited on the ECB's premises;
 - private electrical devices are not allowed unless External staff need them for the fulfilment of their duties;
 - animals are not to be brought into the office areas of the ECB;
 - smoking on the ECB premises is restricted to certain designated areas.
2. The ECB's Security Division may issue further guidelines and instructions to ensure security and safety on the ECB's premises. External staff shall comply with such guidelines and instructions as communicated to them.

§ 4 Emergencies

1. In case of an emergency, sudden illness, injury or accident, External staff shall call the ECB's in-house 24-hour emergency phone number which is 111. External staff shall not place emergency calls directly to the police, the fire brigade or external medical services.
2. In case of an emergency, External staff shall follow the instructions broadcasted via the public address system and/or the instructions of ECB staff.
3. In case of a crisis situation affecting access to the ECB's premises, External staff shall call 0800/1344-1344 for further guidance.

§ 5 Use of ECB equipment

1. External staff shall use all rooms, facilities and equipment made available by the ECB solely for the fulfilment of their duties under the Contract and handle all facilities and equipment with due care.
2. External staff are not authorised to use the ECB's parking facilities.
3. If External staff carry out technical works on the ECB's premises, they shall comply with the applicable German regulations on health and safety at work.

§ 6 Use of the ECB's IT facilities

1. If External staff are granted access to the ECB's information technology (IT) facilities, they shall use such facilities solely for the fulfilment of their duties under the Contract and shall handle all facilities with due care.
2. When using IT facilities, External staff shall comply with the ECB's rules on information systems (IS) security and the rules on the use of IT facilities and the Internet as published on the ECB's intranet. External staff shall, in particular:
 - observe the rules on the use of their personal user identification and the secure use of their workstation and the information therein;
 - comply with the rules on the protection and regular change of assigned passwords, as well as protection of other security devices and tools (e.g. encryption keys and smart cards);
 - not abuse the IT facilities to annoy, harass, terrify, intimidate, threaten, offend, or bother any other person or conduct illegal activities;
 - not introduce, access, store, distribute or display inappropriate material or access inappropriate websites or pages containing

House rules of the European Central Bank for external staff

material which could adversely affect the ECB's reputation (e.g. related to racism, pornography, violation of human rights, etc.);

- respect the rights and property of other users and third parties and comply with relevant legal requirements (intellectual property, copyrights, software licences, etc.);
- not duplicate or install any software unless authorised to do so;
- not connect any non-ECB laptop or workstation to the ECB network;
- not use any unauthorised USB storage devices to store ECB-related data;
- not download data from unauthorised removable media;
- not initiate any actions that may be interpreted as legally committing the ECB to third parties such as ordering goods and services via e-mail, joining chain letters or accepting 'get rich quick' offers;
- not open any suspicious e-mails or download any software or documents from the Internet unless explicitly requested by ECB staff;
- not forward their ECB internal mail automatically to other external mailboxes. Manual forwarding is subject to the confidentiality rules;
- not publish detailed information about their tasks or responsibilities at the ECB and refrain from making statements about their personal opinions or beliefs which may be perceived as statements representing the ECB on websites which are accessible to the general public, including private homepages or social network sites;
- use their ECB e-mail account (if any) for any ECB business communication. Other Internet tools, such as instant messaging portals, shall not be used;
- not exchange or store ECB-related information via unauthorised Internet storage services.

3. If in exceptional cases External staff are entrusted with an ECB laptop, they are personally responsible for its physical and technical security at all times. To protect the laptop, External staff shall comply with the following rules:

- a carry case shall be used during travel to minimise damage to hardware during transport. The laptop shall not be left unattended;
- the laptop shall be locked using a physical lock or stored in a locked cabinet when not in use;
- the attached identification labels shall not be removed;
- the screen shall be locked or the currently logged-on user needs to be logged off when the laptop is not in active use; External staff shall verify that the screensaver is functioning properly;
- External staff shall protect themselves against the risk of shoulder surfing and use a screen filter which can be ordered from the ECB;
- passwords used on laptops shall comply with the ECB's policy on passwords. Passwords shall never be written down and stored with the laptop;
- transfer of data from the laptop to another PC should be executed using the encrypted USB stick provided by the ECB;
- when using a network connection outside the ECB, External staff shall minimise risk exposure by (i) closing all other connections to other networks when using the laptop to access the ECB network remotely and (ii) whenever possible, use Ethernet cable connections instead of wireless connections. Encrypted WPA2 wireless connections shall be used when no cable alternative is available;
- the laptop shall be brought back to the ECB and connected to the ECB LAN every month, or when requested by the IS Service Desk, in order to implement security updates. This

opportunity shall be taken to save all documents created or updated offline on the laptop;

- installation and set-up of the laptop may not be changed.

4. External staff shall promptly report any incident related to the use of IT facilities to the ECB business area for which they are working or the IS Service Desk (Extension: 069/1344-7777). They shall not seek to conceal such actions or to rectify such incidents themselves.

§ 7 Use of telephones and fax equipment

If External staff have an office work place on the ECB's premises, they may use the ECB's telephone facilities and the fax equipment for the fulfilment of their duties under their Contract. The use of such facilities for other purposes is prohibited unless the External staff use a personal, pre-paid telephone account. For private purposes, External staff may use the public phones available on the ECB's premises.

§ 8 Storage of documents; confidentiality

1. External staff shall store and record any information, data or documents in accordance with the instructions given to them by ECB staff.
2. External staff shall treat in strictest confidence and not divulge to unauthorised persons any information, data or documents concerning the ECB, its staff, the Contract or its performance, which the ECB designated orally or in writing as 'restricted', 'confidential', or 'secret' or which a reasonable contractor would consider to be confidential (the 'Confidential information'). External staff shall only use such Confidential information for the purpose for which it was disclosed and shall not use or exploit such Confidential information for their own benefit or for the benefit of any other person.
3. External staff shall not reply to requests from the media or other external parties and shall forward any request for information or documentation to the ECB business area for which they are working.
4. External staff shall store documents classified as Confidential information in locked cabinets or containers.
5. External staff shall not take Confidential information outside the ECB's premises and shall not forward such Confidential information by e-mail, fax or any other means to any external party unless explicitly authorised to do so. If, exceptionally, External staff are authorised to take Confidential information outside the ECB, they shall take all reasonable measures to ensure that unauthorised persons do not obtain access to such documents.
6. External staff shall dispose of Confidential information only in the confidential waste containers available on each floor.

§ 9 Leaving the ECB

1. If External staff leave the ECB or work for another ECB business area, they shall inform their contact person at the ECB in good time before their last day so that electronic data (files on the users' local and network drives and e-mail folders, etc.) can be preserved to the extent needed by the business area.
2. External staff shall return all items received from the ECB, including their security badge, keys, books and IT equipment, if any.

Annex 3.0

Contractor's Conflict of Interest Policies and Procedures including Initial Contracts Overview

BLACKROCK

Code of Business Conduct and Ethics

July 21, 2014

1. Objective

BlackRock, Inc. and its subsidiaries (collectively, "BlackRock") have maintained a reputation for conducting their business activities in the highest ethical and professional manner. Indeed, BlackRock's reputation for integrity is one of its most important assets and has been instrumental in its business success. Each BlackRock employee, officer and director — whatever his or her position — is responsible for continuing to uphold these high ethical and professional standards.

This Code of Business Conduct and Ethics (the "Code") covers a wide range of business activities, practices and procedures. It does not cover every issue that may arise in the course of BlackRock's many business activities, but it sets out basic principles designed to guide employees, officers and directors of BlackRock. All of our employees, officers and directors must conduct themselves in accordance with this Code, and seek to avoid even the appearance of improper behavior. This Code is a statement of policies for individual and business conduct and does not, in any way, constitute an employment contract or an assurance of continued employment.

Any employee who violates the requirements of this Code will be subject to disciplinary action, to the extent permitted by applicable law. If you are in or aware of a situation which you believe may violate or lead to a violation of this Code or other BlackRock policies, you should follow the reporting process described in Section 15 of this Code.

2. Compliance with Laws and Regulations

BlackRock's business activities are subject to extensive governmental regulation and oversight. In particular, as an investment adviser and sponsor of investment companies and other investment products, BlackRock is subject to regulation under numerous US federal and state laws (such as the Investment Advisers Act of 1940, the Investment Company Act of 1940, various state securities laws, ERISA, and the Commodity Exchange Act), as well as the laws and regulations of the other jurisdictions in which we operate. Applicable laws broadly prohibit fraudulent, manipulative or deceptive market activities of any kind, either directly or indirectly, in connection with any security or derivative instrument (including but not limited to equities, debt, security-based swaps, swaps and futures). Importantly, violations may occur regardless of whether the conduct in question was intended to create or actually resulted in an artificial price. All BlackRock employees, when engaging in transactions on behalf of BlackRock's clients, are expected to comply with all applicable anti-fraud and manipulation rules. In addition, BlackRock is subject to regulation and oversight, as a public company, by the Securities and Exchange Commission (the "SEC") and the New York Stock Exchange and, based on the ownership interest held by The PNC Financial Services Group, Inc. ("PNC"), the Federal Reserve Board. Finally, BlackRock is subject to increased regulatory scrutiny by virtue of its ownership of a trust bank, the Office of the Comptroller of the Currency as a result of the services it provides to a wide variety of high profile clients, including the US and various foreign governments and corporations.

It is, of course, essential that BlackRock comply with the laws and regulations applicable to its business activities. Although you are not expected to know the details of these laws and regulations, it is important to know enough about them to determine when to seek advice from supervisors and BlackRock's Legal & Compliance Department ("L&C"). You must abide by applicable law in the country where you are located. In some instances, there may be a conflict between the applicable laws of two or more countries, states, or provinces. If you encounter such a conflict, or if a local law conflicts with a policy set forth in this Code, you should consult with your supervisor or L&C to determine the appropriate course of action.

To assist in this effort, BlackRock has provided employees with its [Compliance Manual](#) and various policies and procedures which provide guidance for complying with these laws and regulations. In addition, the BlackRock holds information and training sessions, including an annual compliance program provided by L&C, to assist employees in achieving compliance with the laws and regulations applicable to BlackRock and its activities.

In addition, as a public company, BlackRock is required to file periodic reports with the SEC. It is BlackRock's policy to make full, fair, accurate, timely and understandable disclosure in compliance with applicable rules and regulations in all periodic reports required to be filed by BlackRock.

3. Conflicts of Interest

Your obligation to conduct BlackRock's business in an honest and ethical manner includes the ethical handling of actual, apparent and potential conflicts of interest between personal and business relationships. A "Conflict of Interest" may arise under various circumstances. A Conflict of Interest arises when a person's private interest interferes, or even appears to interfere, in some way with the interests of BlackRock. A conflict situation can arise when an employee, officer or director, or his or her immediate family members sharing the same household takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of Interest arise when an employee, officer or director, or members of his or her immediate family members sharing the same household, receives improper personal benefits as a result of his or her position. Loans to, or guarantees of obligations of, employees, directors or their immediate family members, or members sharing the same household, may create conflicts of interest.

Conflicts of interest may also arise when a BlackRock employee or officer engages in outside activities with third parties. Thus, employees and officers of BlackRock may only engage in such activities after receiving pre-clearance approval under BlackRock's Outside Activity Policy. Moreover, directors of BlackRock must notify BlackRock's Corporate Secretary in advance of accepting an invitation to serve on the Board or similar governing body of another public company (who will, in turn, review the proposed position with the Chairman of the Board and the Chairman of the Nominating and Governance Committee as required by BlackRock's Corporate Governance Guidelines). In addition, potential Conflicts of Interest may arise between the interests of BlackRock on the one hand and the interests of one or more of its clients on the other hand. As an investment adviser and fiduciary, BlackRock has a duty to act solely in the best interests of its clients and to make full and fair disclosure to its clients.

Conflicts of Interest may not always be clear-cut and it is not possible to describe every situation in which a conflict of interest may arise. Therefore, if you have a question, you should consult your supervisor, or a member of L&C. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or a member of L&C.

4. Insider Trading

Employees, officers and directors who have access to confidential information about BlackRock, our clients or issuers in which we invest client assets are not permitted to use or share that information for security trading purposes or for any other purpose except in the proper conduct of our business. All non-public information about BlackRock or any of our clients or issuers should be considered "confidential information." To use material, non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal.

In this regard, BlackRock has adopted an Insider Trading Policy and a Personal Trading Policy. Under the Personal Trading Policy, BlackRock employees are required to pre-clear all advisory transactions in securities (except for certain exempt securities such as mutual funds and Treasury bills). If you have any questions regarding the use of confidential information or any of the above securities trading policies, please consult a member of L&C.

5. Corporate Opportunities

Employees, officers and directors are prohibited from taking for themselves personal opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors or, in some cases, the General Counsel. No employee, officer or director may use corporate property, information, or position for improper personal gain, and no employee, officer or director may compete with BlackRock directly or indirectly. Employees, officers and directors owe a duty to BlackRock to advance its legitimate interests when the opportunity to do so arises.

6. Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Misappropriating proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. We should

each endeavor to respect the rights of and deal fairly with BlackRock's clients, vendors and competitors. No one in the course of conducting BlackRock's business should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

7. Entertainment and Gifts

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with clients or vendors. No gift or entertainment should ever be offered, given, provided or accepted by any BlackRock employee, officer, or director, or members of their immediate family members sharing the same household unless it: (i) is unsolicited; (ii) is not a cash gift; (iii) is consistent with customary business practices; (iv) is not excessive in value; (v) cannot be construed as a bribe or payoff; (vi) is given or accepted without obligation; (vii) is not intended to induce or reward improper performance of a function or activity or to obtain or retain business or an advantage in the conduct of business; and (viii) does not violate applicable laws or regulations, including those applicable to persons associated with public or private pension plans, and those regulated by any financial services authority, such as brokers or registered representatives regulated by the Financial Industry Regulatory Authority ("FINRA"). Additional guidance regarding gifts and entertainment is contained in the [Global Gifts and Entertainment Policy](#), the [Compliance Manual](#) and BlackRock's [Corporate Travel and Entertainment Policy](#). Please discuss with your supervisor or a member of L&C any gift or entertainment which you are not certain is appropriate.

What is acceptable in the commercial business environment may be entirely unacceptable in dealings with the public sector in the United States, the United Kingdom and other countries. There are strict laws that govern providing gifts and entertainment, including meals, transportation and lodging, to public officials. You are prohibited from providing gifts or anything of value to public officials or their employees or members of their families in connection with the BlackRock's business for the purpose of obtaining or retaining business or a business advantage. For more information, see Section 12 of this Code entitled "Bribery and Corruption" and BlackRock's Policy on Anti-Bribery and Corruption.

8. Discrimination and Harassment

The diversity of BlackRock's employees is a tremendous asset. BlackRock is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. In particular, it is BlackRock's policy to comply with the law by affording equal opportunity to all qualified applicants and existing employees without regard to race, religion, color, national origin, sex (including pregnancy and gender identity), sexual orientation, age, ancestry, physical or mental disability, marital status, political affiliation, citizenship status, genetic information, or protected veteran status or any other basis that would be in violation of any applicable ordinance or law. All personnel actions, including but not limited to recruitment, selection, hiring, training, transfer, promotion, termination, compensation, and benefits conform to this policy. In addition, BlackRock will not tolerate harassment, bias or other inappropriate conduct on the basis of race, color, religion, national origin, sex (including pregnancy and gender identity), sexual orientation, disability, age, ancestry, physical or mental disability, marital status, political affiliation, citizenship status, genetic information, or status as a Vietnam-era veteran or any other basis by a manager, supervisor, employee, customer, vendor or visitor that would be in violation of any applicable ordinance or law. BlackRock's [Equal Employment Opportunity Policy](#) and other employment policies are available on the intranet.

9. Recordkeeping

BlackRock requires honest and accurate recording and reporting of information in order to conduct its business and to make responsible business decisions. In addition, since BlackRock is engaged in a variety of financial services activities and is a public company, it is subject to extensive regulations regarding maintenance and retention of books and records. BlackRock's record retention policies are available on the intranet.

Generally, all of BlackRock's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect BlackRock's transactions and must conform both to applicable legal requirements and to BlackRock's system of internal controls.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is proper, ask your supervisor or the Finance Department. BlackRock's [Global Employee Travel & Expense Reimbursement Policy](#) is available on the intranet.

Business records and communications often become public, and employees should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to BlackRock's record retention policies. Finally, in the event of litigation or governmental investigations, please consult L&C regarding any specific record-keeping requirements or obligations.

10. Confidentiality

Generally, BlackRock employees, officers and directors must maintain the confidentiality of confidential information entrusted to them by BlackRock or its clients, except when disclosure is authorized by L&C or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to BlackRock or its clients, if disclosed. It also includes information that clients and other parties have entrusted to us. The obligation to preserve confidential information continues even after employment ends. Any questions regarding this policy or other issues relating to confidential information should be directed to a member of L&C.

11. Protection and Proper Use of BlackRock Assets

You should endeavor to protect BlackRock's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on BlackRock's profitability. Any suspected incident of fraud or theft must immediately be reported to L&C for investigation, and employees are strongly encouraged to report the incident to their supervisors. BlackRock technology, equipment or other resources should not be used for non-BlackRock business, though incidental personal use may be permitted.

Your obligation to protect BlackRock's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, systems, software programs, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate BlackRock policy, and it could also be illegal and result in civil and/or criminal penalties. BlackRock's [Intellectual Property Policy](#) details each employee's obligation to protect BlackRock's intellectual property.

12. Bribery and Corruption

BlackRock employees, officers, directors or representatives are prohibited from offering or giving anything of value, directly or indirectly to:

- a) public officials – if the intention is to influence the official and obtain; or
- b) persons in the private sector – if the purpose is to induce such persons to perform (or reward them for performing) a relevant function or activity improperly.

It is strictly prohibited to make illegal payments to public officials of any country for the purpose of obtaining or retaining business or an advantage in the course of business conduct. See BlackRock's [Anti-Bribery and Corruption Policy](#).

Charitable contributions can give rise to breaches of anti-bribery laws. Guidance on these issues is set out in BlackRock's [Political Contributions Policy](#).

Additionally, many laws govern the limitations and/or prohibitions on contributions to political candidates and parties, as well as the employment of former governmental personnel. Guidance regarding political contributions is contained in BlackRock's [Political Contributions Policy](#).

13. Drugs and Alcohol

BlackRock prohibits the use, possession or distribution of illegal drugs by employees while employed by BlackRock. Also, the BlackRock prohibits any use of alcohol by employees that might affect their fitness for duty or job performance, the operations of BlackRock, and/or their security or safety or that of others. For some jurisdictions, newly hired employees may be required to submit to drug screening tests on a timely basis and, where required to submit to the screening, must pass it in order to be employed by BlackRock. For some jurisdictions, a current employee may also be asked to submit to and pass drug screening and alcohol detection tests under certain circumstances.

14. Waivers of the Code of Business Conduct and Ethics

BlackRock will waive application of the policies set forth in this Code only where circumstances warrant granting a waiver. Any waiver of this Code for executive officers or directors may be made only by BlackRock's Board of Directors or a committee of the Board and will be promptly disclosed as required by law or stock exchange regulation.

15. Reporting Any Illegal or Unethical Behavior

Employees must immediately report illegal or unethical behavior to a member of L&C who supports your department or a Managing Director within L&C. In addition, employees of BlackRock may utilize the Employee Complaint Hotline. The BlackRock intranet homepage contains the link to the hotline toll-free number. Employees may also make a report by completing information set out on a link on BlackRock's internal website for reporting illegal, unethical or inappropriate business practices or conduct or violations of BlackRock's compliance policies. *Employees are encouraged to provide their names as this information may make it easier for BlackRock to investigate a concern and to provide the employee with protection against retaliation.* Employees outside of the European Union may, however, choose to report any concern anonymously. Employees in the European Union may report a concern anonymously if such concern relates to finance, financial crimes, accounting, auditing, falsification of business records, bribery and anti-corruption (or in accordance with further restrictions applicable to a particular EU country).

Reports will be treated confidentially to the extent reasonably possible. Due to certain requirements under data protection laws in Europe, BlackRock may be obligated to inform the subject of a reported violation in Europe that the report was filed and how he or she may exercise his or her right to access and correct the information regarding the allegation. However, this right to access information does not automatically entitle the subject of the allegation to information identifying the person who reported the allegation.

BlackRock will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment because of a report of misconduct by others made in good faith. Employees are expected to cooperate in internal investigations of misconduct.

The General Counsel of BlackRock will report material violations of this Code or the policies and procedures referenced herein to the Board of Directors of BlackRock (or a committee thereof) and to BlackRock's Office of the Chairman.

16. Compliance Procedures

We must all work to ensure prompt and consistent action against violations of this Code. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or potential problem in a complete and thorough manner. Your consideration of a new issue or potential problem should include, but not necessarily be limited to these basic steps:

Make sure you have all the facts.

In order to reach the right solutions, we must be as fully informed as possible.

Ask yourself:

What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, seek guidance before acting.

Clarify your responsibility and role.

In most situations, there is shared responsibility. Is your supervisor informed? It may help to get others involved and discuss the problem.

You may report violations in confidence and without fear of retaliation.

BlackRock does not permit retaliation of any kind against employees for good faith reports of violations.

Always ask first, act later.

If you are unsure of what to do in any situation, seek guidance before you act.

Conflicts of Interest ~ Policies & Procedures

BlackRock has implemented a Global Conflicts of Interest Policy (the “Policy”) to ensure its clients’ interests are placed first and to identify and manage any conflicts of interest inherent in our business. In addition, the BlackRock Code of Business Conduct & Ethics (the “Code”) sets out basic principles designed to guide employees in the course of their business activities and practices. All employees must conduct themselves in accordance with this Policy and the Code and seek to avoid even the appearance of improper behaviour.

All BlackRock employees must adhere to the following:

- Act solely in the best interests of clients;
- Identify, report, avoid (where possible) or manage actual, apparent or potential conflicts of interest which may have an effect on the interests of one or more BlackRock clients;
- Make full and fair disclosure of conflicts of interests, as may be required;
- Determine the level of risk that a conflict of interest raises; and
- Continue to uphold BlackRock’s high ethical and professional standards.

Types of Conflicts of Interest:

- Conflicts between BlackRock’s interest and those of its clients;
- Conflicts between the interests of BlackRock staff and those of its clients;
- Conflicts between the interests of two or more BlackRock clients; and
- Conflicts arising from the relationship between BlackRock and its associated companies e.g. PNC.

Conflicts of Interest ~ Framework



Policies & Procedures

- BlackRock have a number of policies and procedures which are designed to prevent conflicts of interest for employee activities in a number of areas including Outside Business Activities, Personal Trading, Gifts & Entertainment, Insider Trading, managing Material Non-Public Information and Information Barriers amongst others.

Training & Employee Awareness

- All employees receive Annual Compliance training which includes training on managing Conflicts of Interests; and
- In addition, some business groups receive targeted training related to personal conflicts and specific conflicts inherent within their department.

Disclosure

- In the event that BlackRock is unable to prevent a conflict, it will provide appropriate disclosure of any material conflict to impacted clients.



BLACKROCK®

Global Conflicts of Interest Policy

Effective Date: July 3, 2015

1. Introduction

This policy governs the responsibility of BlackRock, Inc. and its affiliates ("BlackRock") and employees to place its clients' interests first and to identify and manage any conflicts of interest inherent in our business. In addition, the BlackRock Code of Business Conduct and Ethics sets forth basic principles designed to guide employees in the course of their business activities and practices. All employees must conduct themselves in accordance with this policy and the Code and seek to avoid even the appearance of improper behavior.

BlackRock has adopted policies and procedures designed to manage conflicts of interest and has instituted controls pursuant to its policies and procedures. In order to help mitigate against potential conflicts of interest, each BlackRock employee must adhere to the following, in accordance with applicable law and regulation:

- Act solely in the best interests of clients;
- Continue to uphold BlackRock's high ethical and professional standards;
- Identify, report, avoid (where possible) or manage actual, apparent or potential conflicts of interest which may have an effect on the interests of one or more BlackRock clients;
- Make full and fair disclosure of conflicts of interests, as may be required; and
- Determine the level of risk that a conflict of interest raises.

2. Conflicts of Interest Generally

Conflicts of interest may occur where the interests of BlackRock or its employees are inconsistent with those of a client or potential client or where the interests of two or more clients may be inconsistent with each other, and in consequence, there is a risk of damage to the interests of one or more of those clients.

Conflicts of interest may not always be clear-cut and it is not possible to describe every situation in which a conflict of interest may arise. The following are examples of the types of conflicts of interest that could occur.

2.1. BlackRock Versus Client(s): Due to commercial interests, BlackRock could consider its own interests ahead of its clients' interests.

- Risk: Conflicts of interest could arise if BlackRock puts its own interests ahead of its clients or where BlackRock is unduly influenced to enter into arrangements with third-parties (including

affiliated companies, fund or general service providers, or prime brokers) that are not on an "arm's-length" basis and/or act to the disadvantage of the client.

- **Mitigants:** The following are examples of policies that are intended to address conflicts of interest:
 - Code of Business Conduct and Ethics
 - Gifts and Entertainment Policy
 - Best Execution Policy
 - Information Barrier Policy

2.2. Client Versus Client: The interests of one client (or group of clients) could conflict with those of another client or group of clients:

- **Risk:** When managing multiple accounts with differing structures (private funds, registered funds, separate accounts), conflicts of interest could arise that may cause an adviser to favor one account over another account.
- **Mitigants:** BlackRock has adopted various investment management and trading practices designed to address conflicts of interest when managing multiple accounts, including but not limited to the following:
 - Investment Allocation Policy
 - Global Crossing Policy
 - Best Execution Policy

2.3. BlackRock Employees Versus Client(s): A BlackRock employee may act in his/her own interests rather than in the best interests of clients

- **Risk:** A BlackRock employee could
 - engage in personal trading for his/her own accounts;
 - engage in other personal activities that advantage his/her personal interests over the best interests of clients; or
 - have a personal relationship, whether through family, outside business activity, or otherwise, that raises a question as to whether BlackRock can be independent in acting in its clients' best interests (e.g., direct or indirect relationship with a current or prospective issuer).
- **Mitigants:** In addition to other policies that are designed to address conflicts of interest, all BlackRock employees are required to comply with the following global BlackRock policies:
 - Personal Trading Policy: Addresses conflicts of interest between an employee's personal trading and trading undertaken on behalf of clients;
 - Insider Trading Policy: Restricts personal trading of employees in receipt of material, non-public information ("MNPI") relating to either BlackRock or a third-party company; and

- o Outside Activity Policy: Addresses conflicts of interest with BlackRock's business interests and its duties to clients that may be raised when an employee engages in an outside activity.

3. Escalating Potential Conflicts of Interest

BlackRock employees must report any actual or potential conflicts of interest to their supervisor and to Legal & Compliance. Supervisors must escalate conflicts of interest as necessary to the Global Conflicts of Interest Director for a determination as to the appropriate action to eliminate or mitigate the conflict of interest, which may involve curtailing or terminating an activity or seeking client consent. Employees should consult Legal & Compliance or the Global Conflicts of Interest Director with any questions. Refer to *Annex 1* for specific jurisdictional requirements.

LIMITED

ANNEX 1 – JURISDICTIONAL REQUIREMENTS: EMEA

- Reporting by employees, and surveillance and monitoring is conducted around a number of BlackRock's business activities to address inherent conflicts of interest and, where practically possible, BlackRock has segregated tasks and responsibilities which may be regarded as incompatible with each other or which may potentially generate conflicts of interest. For instance, the activities of portfolio management and risk management are conducted independently from one another.
- Operating conditions are assessed and general conflicts of interest (which involve a material risk of damage to clients' interests which arise or may arise during ongoing business activity) are identified, logged and updated in BlackRock's Global Conflicts of Interest Register maintained by the Global Conflicts of Interest Director. A summary of conflicts of interest is periodically disclosed to clients in accordance with applicable law and regulation.
- Conflicts of interest arising out of our group structure for example, between a BlackRock mutual fund management company and the group generally are mitigated by the appointment of non-executive directors to the relevant group subsidiary boards. In extreme cases, where a management company may be a subsidiary of an affiliate to which certain services/regulated activities have been delegated, a member of the management company board is specifically charged with managing such conflicts.
- Once identified, conflicts of interest that cannot be prevented must be managed and mitigated. For Alternative Investment Fund Managers Directive ("AIFMD") purposes, such conflicts of interest include not only those involving BlackRock or its employees, but also conflicts of interest involving delegates of, or service providers to, BlackRock entities and/or counterparties (including prime brokers) of the BlackRock entities and/or its funds.
- Where delegation is permissible under the AIFMD conflicts of interest must be properly identified and managed by delegates and appropriate information must be provided to the relevant BlackRock alternative investment fund manager ("AIFM") to allow the AIFM to monitor and, where appropriate, disclose such conflicts of interest to the investors of the alternative investment funds ("AIFs"). Note such undertaking shall usually be taken to be satisfied by the provision of the delegate's conflict of interest policy (and each update thereto) provided that (i) the policy sets out such potential conflicts and procedures and (ii) the delegate agrees to update the policy as soon as reasonably practicable after the identification of new potential conflicts of interest.
- For a delegate to whom portfolio management and/or risk management has been delegated under the AIFMD, in the event that its interests may conflict with those of the relevant AIFM or the AIF or its investors, the performance of the delegated portfolio or risk management functions of the delegate must be functionally and hierarchically separated from the potentially conflicting tasks and the delegate must confirm that it has implemented processes pursuant to which it can manage and monitor such conflicts of interest.
- The EMEA Conflicts Management Committee ("CMC") and the relevant BlackRock EMEA legal entity boards are responsible for governance over the management of conflicts of interest. escalated to the EMEA Conflicts Management Committee ("CMC") and/or the relevant BlackRock EMEA legal entity board for the necessary decision or action to protect clients' interests
- EMEA Legal and Compliance provides reporting on conflicts of interest on a quarterly basis to the CMC and, as appropriate, to the EMEA Risk and Controls Committee, and the relevant BlackRock legal entity board.
- Any conflicts that cannot be managed effectively must be disclosed to clients (and potential clients before undertaking business) via a durable medium (i.e., email or hardcopy).

Annex 4.0

Supplier Security Requirement Baseline



EUROPEAN CENTRAL BANK

EUROSYSTEM

DG-IS
DIV / SEA

Information Security Requirements Baseline

ECB-UNRESTRICTED

Document control

Date	Change initiator	Change description	Request For Change number	Version
18.09.2015	[REDACTED]	Initial Draft		0.00
28.09.2015	[REDACTED]	Legal Review		0.01
22.10.2015	[REDACTED]	Incorporated comments and suggestion from the legal review		1.00
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03.12.2015	[REDACTED]	Final review by legal		1.02

Revision Warning

Copies may be made from this original, but they will not be automatically updated when / if revisions occur. For the latest version of this document please check.

[REDACTED]

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1. Introduction

The ECB relies on the integrity and accuracy of its data in order to deliver its services as stated in its Mandate. It is therefore paramount that the integrity, confidentiality and availability of ECB Data / Information are safeguarded. Any Supplier (i.e. Contractor) who processes or manages ECB Information must adhere to these principles to ensure that the ECB maintains the trust of all relevant stakeholders and remains in compliance with relevant legal and regulatory requirements.

1.1 Purpose

This document sets out the minimum information security requirements for all Suppliers that have access to ECB information during the provision of contracted services to the ECB. This aims to effectively protect ECB information by providing a flexible and consistent approach to managing information security risk in Supplier Relationships, and assist Suppliers to better understand and cooperate with ECB on appropriate security controls.

1.2 Scope

The scope includes any Suppliers, who will process or have access to ECB information. This includes and not limited to:

- Suppliers involved in design, development or operation of information system processing facility for the ECB;
- Access to ECB information from remote location where the IT System and Network are not under the control of the ECB;
- Users who are not employees of the ECB and require access to ECB information or information systems.

This baseline security requirement applies to all staff, including contractors, temporary staff and staff employed directly or indirectly by the Suppliers (and their subcontractors).

1.3 Ownership and Document Control

This baseline security requirement for Suppliers is owned and maintained by the DG-IS DIV/SEA Security Governance, and can be amended with or without notice from time to time at the ECB's discretion. Suppliers shall not be expected to comply with any changes to this document until they have been provided with such changes in writing and a reasonable period (not exceeding 90 days) to comply with such changes.

1.4 Information Security Review

Suppliers who fall within scope shall be subject to compliance review against this baseline security requirement and shall be required to comply with the requirements herein, where the controls are applicable, proportionate and appropriate.

Suppliers shall document any security elements and controls that have been implemented to comply with this baseline in order to assist with any information security reviews carried out by the ECB or nominated parties.

1.5 Exceptions

The ECB Baseline Security requirements are in place to assist the ECB and ECB suppliers in complying with information security best practices and legislative and regulatory requirements. Where it is not feasible for the Supplier to comply with any of the specific control requirements defined in this Baseline, approval shall be required from the ECB Service Owner and DG-IS/ DIV-SEA HoD. Each non-compliance shall be evaluated and risk-assessed, and either the risk accepted by the ECB Service Owner or the Supplier required to comply with the control and an implementation date agreed with the assistance of DG-IS / DIV-SEA.

2. Security Policy

The Supplier shall have an Information Security policy in place which meets applicable industry standards and which is subject to review by ECB. This policy must comply with the laws, regulations, operational procedures and systems security configurations implemented. This policy must be reviewed on a regular basis by the Supplier.

The policy must provide governance for all platforms deployed including mobile computing and Small Form Factor (SFF) devices that require access to ECB data or ECB operated systems.

3. Organising Information Security

Information Security Roles and Responsibilities shall be clearly defined and implemented.

Non-disclosure agreements / confidentiality declarations shall be signed by Suppliers prior to being granted access to ECB information.

All interactions with the ECB or involving the ECB information must be secured and approved by the ECB.

All subcontracted activities involving ECB Information shall be secured and approved by the Supplier.

4. Asset Management

The ECB shall inform the Supplier of the classification of ECB data / information provided to Supplier. In the event the Supplier is not certain of the classification of any item, Supplier shall seek clarification from its ECB Contact.

An appropriate set of procedures for information labelling and handling must be developed and implemented by the Supplier in cooperation with the ECB

Acceptable use of ECB equipment and information shall be according to the acceptable use policy (AUP). The AUP shall:

- define appropriate use of communications channels and devices used to process ECB Information;
- define appropriate use of the Internet, including prohibiting the transfer of ECB Information to personal email accounts or unauthorised cloud based storage;
- include responsibilities relating to downloading, installing and use of unauthorised or illegal software or material to process ECB Information;

5. Human Resources Security

Security roles and responsibilities of employees, contractors and third party users must be defined and documented to incorporate ECB's data protection control requirements including background checks to the extent permitted by applicable law.

All employees, contractors, and third-party users must be notified of the consequences for not following the security policy in handling ECB information classified as confidential and above.

All assets used to manage or store ECB information shall be protected both physically and logically against unauthorized access, disclosure, modification, destruction or interference.

All employees, contractors and third party users must be provided with education and training in privacy, information security policies, guidelines, procedures and the correct information processing requirements.

All personnel with access to personal information (PI) will complete a privacy training class, and be knowledgeable of any specific privacy requirements for the data being handled. Refresh training is required annually

6. Access Control

The access control policy shall clearly state the rules and rights for each user or group of users including applications and information sharing and must include a process for granting and

removing access to all information systems and services. A record of all privileges allocated must be maintained and reviewed annually.

Each user must have a unique user ID and practice the use of strong passwords which are at least eight characters long and composed of letters, numbers and special characters where feasible.

Alternatively passwords with 16 characters and no complexity requirements can be used. If other biometric controls are used in lieu of passwords or in addition, they must be documented and disclosed to the ECB. Such disclosure shall be in compliance with the applicable EU and domestic legislation on the protection of personal data. The ECB shall treat the disclosed data in compliance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1) and Decision ECB/2007/1 of 17 April 2007 adopting implementing rules concerning data protection at the European Central Bank (OJ L 116, 4.5.2007, p. 64).

1. The use of group IDs is only permitted where necessary and must be approved and documented.
2. Suppliers shall ensure a password that is delivered via a secure and reliable method. This could include confirming emails to the account holder that do not contain the account name, and a secure temporary password which is changed immediately on login.
3. Group and individual accounts should not have administrative access unless absolutely necessary for successful service delivery.

Access to applications and data must be reviewed at regular intervals to prevent unauthenticated users from accessing data or using vital system resources and revoked when no longer required. All Client systems must log off after a defined period of inactivity and have password protected screen savers. For laptops and mobile devices increased security access controls (e.g. implement hard disk drive (HDD) password protected access control) must be implemented unless volume encryption or encrypted storage is implemented.

Applications, ports, services, and similar access points installed on a computer or network facility, that are not specifically required for business functionality, must be disabled or removed.

Network segments connected to the Internet must be protected by a firewall which is configured to secure all devices behind it.

User connection capability must be documented with regard to messaging, electronic mail, file transfer, interactive access, and application access.

All extranet connectivity into the ECB must be established through ECB owned or ECB approved and authorized secure remote connections.

All ECB Restricted and above data and information exchanged with the ECB for mission or business critical functions and Business to Business (B2B), require secure intercompany communications (ICC) implemented by DG-IS / Security Engineering Services. The ECB

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Service coordinator shall be responsible for communications to arrange for Suppliers to engage with the DG-IS Security engineering services team.

All production data must be located in a secure, access controlled location.

The Supplier is responsible for implementing the secure protocols at their sites and managing the protocols by a change control process.

All Firewalls shall be configured properly to address all known security concerns.

All Infrastructure diagrams, documentation and configurations must be kept up to date, controlled and available to assist in issue resolution.

Systems must have the ability to detect a potential hostile attack. Examples include but are not limited to Network Intrusion Detection (NID) or Host Intrusion Detection (HID) / Prevention. All systems must be updated to current release and actively monitored.

Network segments where ECB data resides should be isolated from non-ECB data, logically or physically unless approved by DG-IS DIV/SEA and the Data owner.

- I. Access controlled applications that contain ECB Restricted and above data shall implement a lock out for a minimum of 30 minutes after 5 consecutive failed login attempts and 1 hour after a total of 10 failed login attempts.
- II. Access controlled applications must never be reinitialized by using the back button.
- III. Access controlled applications that only contain Public data, may exceed the user lock out after 5 consecutive failed login attempts and must be documented in the response to these requirements.
- IV. Applications containing Confidential data and above must require a password change every 63 days or less.

Applications must never capture and store the user's password and provide it during the login process. All Web applications that allow the input or display of user generated content (including site "Search" parameters) must turn off the Archival flag used by search engines. This prevents the long term archival of web pages that have been compromised or defaced.

To prevent all search engines from showing a "Cached" link for ECB sites place the following tag in the <HEAD> section of every page: <meta name="robots" content="no archive">

Access to source code must be limited and controlled to prevent unauthorized access.

Externally facing web applications must logoff unattended sessions at or before 30 minutes of inactivity. Server should have login banners that advise unauthorized access is prohibited.

All occurrences of ECB branded internet hosting are subject to a vulnerability assessment led by DG-IS DIV SEA Operational Security before going live.

7. Cryptography

The Supplier shall ensure that the appropriate encryption is used to protect sensitive ECB

Information (ECB Restricted and above) transported by mobile or removable media device or across communication lines

8. Physical and Environmental Security

Information processing facilities where ECB Restricted and above information is stored must be secured and protected from unauthorized access, damage, and interference.

Physical security controls must be appropriate to the classification of the assets and information being managed and could include, card key access, security cameras, and solid wall construction for all exterior walls. Additional controls may be needed for Secret information or assets.

The number of entrances to the information processing facilities in which ECB Restricted and above information is stored shall be limited. Every entrance into these areas requires screening (e.g. Security guards, badge reader, electronic lock a monitored closed caption television (CCTV)). Logs must be recorded and maintained.

Physical access must be restricted to those with a business need. Access lists must be reviewed and updated at least once per quarter.

Process, training and policies shall be in place to determine visitor access, after-hours access, and prevent tailgating into controlled areas.

Emergency exits in controlled areas shall sound an alarm when opened and include automatic closure. Any alarms must trigger an emergency response.

9. Operations and Communications Security

Operating procedures shall be documented and managed by a change control process.

The Supplier shall have a separation of duties process to prevent one individual from controlling all key aspects of a critical transaction or business process.

The Supplier is responsible for data protection, privacy compliance, and security control validation/ certification of their sub-contractors.

All development, test, and operational environments shall be separated to reduce the risks of unauthorized access or changes to the operational system.

The Acceptance criteria for new information systems, upgrades, and new versions shall be established and suitable tests of the system(s) carried out during development and prior to acceptance.

The Supplier shall support standards and procedures that ensure confidentiality, integrity and availability of the information and services with continuous oversight on new threats and vulnerabilities by a documented risk assessment process driving risk mitigation implementation on a timely basis.

All system administrators shall have adequate training and experience to securely administer the

infrastructure and systems within their responsibility.

Access and Accuracy: The system must implement reasonable measures to ensure that the personal information is accurate and current.

User Generated Content: all user generated content (i.e. file attachments such as documents, pictures, videos, text, etc.) shall be screened for malicious and inappropriate content.

All audit logs recording user activities, exceptions, and information security events shall be maintained for an agreed period to assist in future investigations and access control monitoring.

Remote support access shall be controlled via a secure gateway that implements the following controls:

- strong authentication (e.g. two-factor authentication);
- access via a secure gateway (e.g. a firewall);
- remote support accounts only enabled for the duration of troubleshooting activity;
- all troubleshooting activity is logged and reviewed.

The Supplier shall seek prior written approval to use any third party provider of remote support of Third Party systems. Any such approved Subcontractor shall be subject to a contract between the Third Party and such Subcontractor detailing security requirements in relation to such support, and that access granted to the Subcontractor in order to provide such support is given with minimum privileges and revoked on completion.

The Supplier shall transfer/exchange ECB Restricted and above Information via secure channels which are encrypted and further shall inform ECB in writing of the encryption solution used to transfer/exchange ECB Information in advance of any transfer or exchange. This solution must be in compliance with the ESCB Cryptographic Policy, and is also applicable to ECB Restricted and above data stored at off-site facilities.

All such transfer/exchange of ECB Information shall be compliant with all relevant agreements, laws, regulations and current industry best practice.

10. System Acquisition, Development and Maintenance

New information systems or enhancements to existing systems shall have valid information security requirements which shall specify security controls to maintain or protect ECB Information. These requirements shall be subject to the Supplier defined risk management process.

The Supplier shall ensure that application services on public networks are sufficiently protected and safeguarded.

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The Supplier shall ensure application service transactions are adequately protected (through the use of electronic signatures, encrypted communication path, the use of secure protocols to communicate) to prevent incomplete transmission, misrouting, message alteration, unauthorised disclosure etc.

The Supplier shall follow a documented approach of secure development in which information security requirements are integrated in all phases of software development.

All major system changes shall be controlled by the use of formal change control procedures

There shall be a process or procedure in place to ensure application systems are reviewed and tested after changes to the operating system.

The Supplier shall observe restrictions in place to limit changes to software packages. Vendor supplied software modifications should be made through standard maintenance. Changes to software development in-house shall be placed under to change control procedures

Any system implementation effort shall be conducted against the documented principles and procedures for engineering secure systems available in the ECB.

There shall be controls in place over outsourcing software development, these shall include; Licensing arrangements, escrow arrangements, contractual requirement for quality assurance, source code testing, and testing before installation to detect malware.

The Supplier shall (and shall ensure that its Subcontractors shall) ensure that security testing e.g. source code testing if performed during development and follow established acceptance procedure for new and changed system.

The Supplier shall (and shall ensure that its subcontractors shall) ensure that the use of operational database containing personal information should be avoided for test purposes.

All Suppliers shall ensure that any web application developed for the ECB shall be free from the OWASP top ten vulnerabilities.

11. Supplier Relationships

Authorised Access: The Supplier shall provide full details of any Subcontractor(s) that it intends to use in the provision of the Services; such details to include as a minimum company name, address, location, and type of Services to be provided and the volume, frequency and nature of ECB information to be used.

The Supplier shall not make ECB information available to any Subcontractor without the prior written approval of ECB.

Risk-Assessed Access: The Supplier must carry out an information security risk assessment prior to any Supplier access and the results of this must also be submitted to the DG-IS DIV/SEA.

The Supplier shall ensure that it is not reliant on any key single individual to support Services anywhere in its supply chain.

Controlled Access: The Supplier shall ensure that all Subcontractor agreements contain security controls, service definitions, service requirements and delivery levels commensurate with the requirements set out in this document, and that such are implemented, operated, and maintained by all Subcontractors at all times.

Security Accountability: The security relationship with each supplier must be allocated to a named member of Supplier staff with senior management accountability.

Compliance: The Supplier shall conduct annual security reviews of the Subcontractors where those Subcontractors have access to ECB information, and maintain detailed, written evidence of these audits to include any security risks, recommendations and remedial actions.

Supplier security reviews shall be conducted in accordance with the requirements set out in this document.

Contractual Agreements: All Suppliers and their Subcontractors shall operate in accordance with non-disclosure clauses stipulated in agreements between the Suppliers

Contract Termination: Exit procedures and requirements shall be included in any agreement between the Supplier and the Subcontractor and all Supplier access to ECB information must be revoked when no longer required.

12. Information Security Incident Management

A documented information security event management process for Physical and Data security shall be implemented that includes incident response, escalation, and remediation.

Information security events and incidents include, but are not limited to:

1. loss of service, equipment or facilities,
2. system malfunctions or overloads,
3. human errors,
4. non-compliances with policies or guidelines,
5. breaches of physical security arrangements,
6. uncontrolled system changes,
7. malfunctions of software or hardware,
8. access violations,
9. legal and regulatory violations
10. malware
11. suspicious and benign behaviours that may lead to an event

The Supplier shall require all personnel (and any Subcontractor personnel) to report any observed or suspected security weaknesses in Systems or Services to the Supplier. The Supplier shall inform the ECB immediately about any such weaknesses of which it becomes aware.

In the provision of Services to the ECB and as part of the security incident response procedure, if the Supplier becomes or is made aware of any contravention of the information security requirements under the Contract, or of unauthorised access to the ECB Systems, ECB information or any ECB Systems including the ECB network, the Supplier shall (and shall ensure that its Subcontractors shall): immediately report the incident to DG-IS / DIV SEA;

- promptly provide the ECB with a detailed written report setting out the details of and reasons for the contravention of the information security requirements and describing in detail any ECB Information, Systems and/or ECB Systems which have been accessed without authorisation;
- provide the ECB, at no additional cost, with any assistance to restore the ECB Information, the Systems and ECB Systems and any other assistance that may be required by the ECB;
- preserve evidence to include collection, retention and presentation of such evidence to DG-IS DIV SEA;
- promptly return to the ECB any copied or removed ECB Information;
- comply with all reasonable directions of the ECB; and
- take immediate remedial action to secure the ECB Information, Systems and /or ECB Systems and to prevent reoccurrences of the same or similar contravention and provide the ECB with details of such remedial action.

If either a criminal act or a breach of the Supplier policies and the requirements in the Contract occurs involving the Supplier or Subcontractor personnel who are providing Services to the ECB and such criminal act or breach of the Supplier policies becomes known to the Supplier (or its Subcontractor), the ECB must be notified as soon as practicable of the facts surrounding the issue.

13. Information Security Aspects of Business Continuity Management

The Supplier shall (and shall ensure that its subcontractors shall) comply with the ECB Business Continuity Policies notified to the Supplier from time to time.

The Supplier shall (and shall ensure that its subcontractors shall) align with Information Security requirements captured in the IT Service Continuity Management.

The Supplier shall ensure that a Service Continuity Plan is in place in relation to the provision of Services to the ECB. The plan shall set out how Services operations shall be restored following an interruption to or failure of business processes within a time period agreed to be acceptable by the ECB.

The Supplier shall (and shall ensure that its subcontractors will) ensure that the IT Service Continuity Plan is built in accordance with the Information Security and privacy policies and guidelines.

The Supplier shall (and shall ensure that its subcontractors will) align the Service Continuity Plan with ECB Services Recovery and Continuity Plan.

14. Compliance

Legal, regulatory or contractual requirements shall be complied with and taken into account while processing ECB Information. In particular this includes, but is not limited to compliance with the applicable EU and domestic legislation on the protection of personal data. The ECB shall process personal data in compliance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p. 1) and Decision ECB/2007/1 of 17 April 2007 adopting implementing rules concerning data protection at the European Central Bank (OJ L 116, 4.5.2007, p. 64).

The intellectual property rights of the supplied product or service shall be properly addressed by the Supplier and the ECB.

If ECB Information is to be shared with a Sub-contractor, the Supplier shall notify the ECB in advance and provide the ECB with a copy of the legal agreement in place.

The Supplier shall ensure that the storage and subsequent destruction of ECB Information is secure and in compliance with ECB's instructions. All items of equipment used in the provision of the Services containing storage media shall be checked by the Supplier to ensure that any ECB Information and licensed software has been removed or securely overwritten prior to secure deletion.

The Third Party shall maintain an information retention & destruction policy to ensure that ECB Information is retained for no longer than necessary and is protected from unauthorized or unlawful processing. Where the Supplier is acting as a data processor (as defined under the EU Data Protection Regulation as stated above for the Services, it must act only in accordance with the ECB's instructions on retention and destruction.

The Supplier shall ensure that appropriate retention and secure deletion/destruction policies and procedures are in place for all ECB Information held. The ECB may require a copy of the policies and procedures.

Where any ECB Information is intended to be transferred, stored or processed outside of the EU, the Supplier shall provide, for ECB written approval, full details of the locations, security arrangements and what information is to be transferred, stored or processed outside of the EEA.

15. ECB/ESCB Policies and Guidelines as reference

The supplier is encouraged to use the ECB / ESCB security policies, guidelines and procedures as reference security level.

An annual report on the compliance of ECB Information processing systems against the relevant information security policies, guidelines and procedures shall be provided to the Head of Division DG-IS / SEA.

16. Audit

The Supplier shall grant to the ECB such access to the Sites used as is necessary to allow the ECB to perform its responsibilities or exercise its rights under the Contract and shall participate in information security reviews as and when reasonably requested by the ECB

If an investigation or audit is conducted by the ECB or on behalf of the ECB, the Supplier shall ensure that all personnel shall cooperate with the investigators or auditors and, if requested, will make relevant personnel available for interview.

On or after termination of the Services, the Supplier shall grant the ECB the right to perform reasonable audits and inspections of the Supplier and its Subcontractors for reasons of security, fraud and regulatory compliance in relation to the Services; or for reason of verifying the Supplier's compliance with the Contract.

If the Supplier has attained external validation or certification to any security industry standards, for example, this may include certification or standards such as ISO 27001, or any other audit standards which may contain security control assessments, the Supplier shall provide evidence of the relevant certification and/or Statement of Applicability upon request.

17. Supplier Instructions

BASELINE REQUIREMENTS FOR ALL SUPPLIERS



SIGNATURE OF RESPONSIBLE PARTY:

	NAME: [REDACTED]
ROLE: [REDACTED]	DATE: 5 April 2016
BY PLACING MY NAME IN THE BOX ABOVE I AM ACKNOWLEDGING THAT I AM AUTHORIZED TO AGREE ON BEHALF OF THE SUPPLIER NAMED, AND DO AGREE TO MEET THE REQUIREMENTS OUTLINED. ANY ITEMS THAT ARE OUT OF SCOPE OR THAT THE SUPPLIER CANNOT MEET ARE IDENTIFIED BELOW.	
[REDACTED]	

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SUPPLIER INSTRUCTIONS:

ECB'S DATA PROTECTION STRATEGY IS TO PERFORM A DUE DILIGENCE ASSESSMENT OF DATA PROTECTION CONTROLS REGARDLESS OF LOCATION. YOUR ASSISTANCE TO ACHIEVE THIS GOAL IS GREATLY APPRECIATED. ALL SUPPLIERS ARE EXPECTED TO MEET THE MINIMUM CONTROLS IDENTIFIED IN THIS DOCUMENT. IN SOME CASES THE ECB REQUIRES A WRITTEN RESPONSE TO THIS DOCUMENT.

IF ECB REQUESTS A WRITTEN RESPONSE FROM YOUR ORGANIZATION YOU ARE REQUIRED TO SUBMIT AN ELECTRONIC COPY OF THIS DOCUMENT CONFIRMING COMPLIANCE. IN RESPONDING PLEASE PROVIDE IN THE SPACE PROVIDED ABOVE. IF THERE ARE ANY REQUIREMENTS THAT ARE OUT OF SCOPE OR THAT CANNOT BE COMPLIED WITH, INCLUDING CHANGES REQUESTED BY THE ECB BUSINESS UNIT YOU SUPPORT, THEY MUST BE EXPLAINED IN THE SPACE PROVIDED BELOW THE SIGNATURE BOX.

ONCE YOU HAVE REVIEWED THE COMPLETED DOCUMENT PLEASE SEND A COPY TO THE ECB BUSINESS CONTACT WORKING WITH YOU WHO WILL WORK WITH ECB INFORMATION RISK AND SECURITY TO COMPLETE THE ASSESSMENT PROCESS. PLEASE NOTE THAT IF YOU ARE HANDLING DATA THAT IS CONSIDERED RESTRICTED SECRET OR ABOVE ADDITIONAL REVIEWS WILL BE REQUIRED AS A PART OF THE SUPPLIER REVIEW.