

Call-Off Schedule 14 (Service Levels)

1. Definitions

- 1.1 In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

"Critical Service Level Failure" has the meaning given to it in the Order Form;

"Service Credits" any service credits specified in the Annex to Part A of this Schedule being payable by the Supplier to the Buyer in respect of any failure by the Supplier to meet one or more Service Levels;

"Service Credit Cap" has the meaning given to it in the Order Form;

"Service Level Failure" means a failure to meet the Service Level Performance Measure in respect of a Service Level;

"Service Level Performance Measure" shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule; and

"Service Level Threshold" shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule.

2. What happens if you don't meet the Service Levels

- 2.1 The Supplier shall at all times provide the Deliverables to meet or exceed the Service Level Performance Measure for each Service Level.

- 2.2 The Supplier acknowledges that any Service Level Failure shall entitle the Buyer to the rights set out in Part A of this Schedule including the right to any Service Credits and that any Service Credit is a price adjustment and not an estimate of the Loss that may be suffered by the Buyer as a result of the Supplier's failure to meet any Service Level Performance Measure.

- 2.3 The Supplier shall send Performance Monitoring Reports to the Buyer detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Schedule.

- 2.4 A Service Credit shall be the Buyer's exclusive financial remedy for a Service Level Failure except where:

- 2.4.1 the Supplier has over the previous (twelve) 12 Month period exceeded the Service Credit Cap; and/or

Call-Off Schedule 14 (Service Levels)

Call-Off Ref: SR323903821

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2.4.2 the Service Level Failure:

- (a) exceeds the relevant Service Level Threshold;
- (b) has arisen due to a Prohibited Act or wilful Default by the Supplier;
- (c) results in the corruption or loss of any Government Data; and/or
- (d) results in the Buyer being required to make a compensation payment to one or more third parties; and/or

2.4.3 the Buyer is otherwise entitled to or does terminate this Contract pursuant to Clause 10.4 (CCS and Buyer Termination Rights).

2.5 Not more than once in each Contract Year, the Buyer may, on giving the Supplier at least three (3) Months' notice, change the weighting of Service Level Performance Measure in respect of one or more Service Levels and the Supplier shall not be entitled to object to, or increase the Charges as a result of such changes, provided that:

2.5.1 the total number of Service Levels for which the weighting is to be changed does not exceed the number applicable as at the Start Date;

2.5.2 the principal purpose of the change is to reflect changes in the Buyer's business requirements and/or priorities or to reflect changing industry standards; and

2.5.3 there is no change to the Service Credit Cap.

3. Critical Service Level Failure

On the occurrence of a Critical Service Level Failure:

3.1 any Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue; and

3.2 the Buyer shall (subject to the Service Credit Cap) be entitled to withhold and retain as compensation a sum equal to any Charges which would otherwise have been due to the Supplier in respect of that Service Period ("**Compensation for Critical Service Level Failure**"),

provided that the operation of this paragraph shall be without prejudice to the right of the Buyer to terminate this Contract and/or to claim damages from the Supplier for material Default.

Part A: Service Levels and Service Credits

1. Service Levels

If the level of performance of the Supplier:

1.1 is likely to or fails to meet any Service Level Performance Measure; or

1.2 is likely to cause or causes a Critical Service Failure to occur,

the Supplier shall immediately notify the Buyer in writing and the Buyer, in its absolute discretion and without limiting any other of its rights, may:

1.2.1 require the Supplier to immediately take all remedial action that is reasonable to mitigate the impact on the Buyer and to rectify or prevent a Service Level Failure or Critical Service Level Failure from taking place or recurring;

1.2.2 instruct the Supplier to comply with the Rectification Plan Process;

1.2.3 if a Service Level Failure has occurred, deduct the applicable Service Level Credits payable by the Supplier to the Buyer; and/or

1.2.4 if a Critical Service Level Failure has occurred, exercise its right to Compensation for Critical Service Level Failure (including the right to terminate for material Default).

2. Service Credits

2.1 The Buyer shall use the Performance Monitoring Reports supplied by the Supplier to verify the calculation and accuracy of the Service Credits, if any, applicable to each Service Period.

2.2 Service Credits are a reduction of the amounts payable in respect of the Deliverables and do not include VAT. The Supplier shall set-off the value of any Service Credits against the appropriate invoice in accordance with calculation formula in the Annex to Part A of this Schedule.

Annex A to Part A: Services Levels and Service Credits Table

#	Service Level Performance Criteria	Type	Service Level Performance Measure	Service Level Threshold	Service Credit
1	Online Payment Gateway Service - uninterrupted and available with the exception of agreed, scheduled outages.	Continuous	99.99%	98%	0.75% for each 0.01% under the specified Service Level Performance Measure
2	Processing - Merchant Acquirer processing platform is uninterrupted and available with the exception of agreed, scheduled outages, issues with the physical payment terminal and gateway issues originated via a 3rd party	Continuous	99.99%	98%	0.75% for each 0.01% under the specified Service Level Performance Measure

Call-Off Schedule 14 (Service Levels)

Call-Off Ref: SR323903821

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3	Settlement Values - The Gross value is received in the Customer's bank accounts in accordance with the Customer's current agreed settlement date and time: 100% of accounts to be settled on T+2 Any missed days to be settled on the next Working Day.	Settlement	0 (Zero Failures)	No more than three (3) individual failures worth >£1m in one Service Period	0.50% off peak, 1% during peak Peak period: 24 January to 7 February (inclusive) 24 July to 7 August (inclusive)
4	Settlement Files - Banking industry standard daily transaction files containing all the transactions processed since the last file was submitted to be received: <ul style="list-style-type: none"> • By 08:00 hours on working day 2 (T+1) • By 11:00 hours on working day 2 (T+1), the Service Provider having notified HMRC of discrepancies or transmission issues prior to this time (should the 08:00 deadline have not been met). 	Event	0 (Zero Failures)	No more than three (3) failures in one Service Period	0.25% Service Credit gained for each Working Day missed.

Call-Off Schedule 14 (Service Levels)

Call-Off Ref: SR323903821

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5	The standard incident management priorities (as agreed) for each priority level, the response time and resolution time are fully met.	Event	0 (Zero Failures)	No more than three (3) failures in one Service Period	0.10% Service Credit gained per failure
6	Service Provider driven change not notified timeously or accurately.	Event	0 (Zero Failures)	No more than three (3) failures in one Service Period	0.10% Service Credit gained per failure

Service Credit Calculations**Service Levels classified as “Continuous”**

Formula: (Service Level Performance Measure – actual Service Level performance) x 100 x Service Credit (%)

Example:

$(99.99\% - 99.95\% = 0.04\%)$

$(0.04 \times 100) \times 0.75\% = 3\%$

Charges for Service Period: £19,000

£19,000 x 3% = £570 of the Charges to be deducted from the next invoice payable by the Buyer.

Service Levels classified as “Event”

Formula: Number of Service Level Failures x Service Credits (%)

Example:

2 Service Level Failures x 0.25% = 0.50%

Charges for Service Period: £19,000

£19,000 x 0.50% = £95 of the Charges to be deducted from the next invoice payable by the Buyer.

For Service Levels classified as “Continuous” or “Event”, the Charges for Service Period shall be limited to the total of the follow elements:

Call-Off Schedule 14 (Service Levels)

Call-Off Ref: SR323903821

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- Gateway transaction fees for the Service Period; and
- Acquiring processing fees for the Service Period; and
- Chargeback fees for the Service Period.

And do not include the following elements:

- Interchange Fees for the Service Period
- Scheme fees for the Service Period.

Service Levels classified as “Settlement”

Formula: Total value of funds settled outside the Service Level Performance Criteria
x Service Credit (%)

Example #1 (Peak)

Total value of funds settled outside the Service Level Performance Criteria:
£100,000

$£100,000 \times 1\% = £1,000$ of the Charges to be deducted from the next invoice payable by the Buyer.

Example #2 (Non-Peak)

Total value of funds settled outside the Service Level Performance Criteria:
£100,000

$£100,000 \times 0.5\% = £500$ of the Charges to be deducted from the next invoice payable by the Buyer.

Part B: Performance Monitoring

3. Performance Monitoring and Performance Review

- 3.1 Within twenty (20) Working Days of the Start Date the Supplier shall provide the Buyer with details of how the process in respect of the monitoring and reporting of Service Levels will operate between the Parties and the Parties will endeavour to agree such process as soon as reasonably possible.
- 3.2 The Supplier shall provide the Buyer with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process and timescales agreed pursuant to paragraph 3.1 of Part B of this Schedule which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:
 - 3.2.1 for each Service Level, the actual performance achieved over the Service Level for the relevant Service Period;
 - 3.2.2 a summary of all failures to achieve Service Levels that occurred during that Service Period;
 - 3.2.3 details of any Critical Service Level Failures;
 - 3.2.4 for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence;
 - 3.2.5 the Service Credits to be applied in respect of the relevant period indicating the failures and Service Levels to which the Service Credits relate; and
 - 3.2.6 such other details as the Buyer may reasonably require from time to time.
- 3.3 The Parties shall attend meetings to discuss Performance Monitoring Reports ("**Performance Review Meetings**") on a Monthly basis. The Performance Review Meetings will be the forum for the review by the Supplier and the Buyer of the Performance Monitoring Reports. The Performance Review Meetings shall:
 - 3.3.1 take place within one (1) week of the Performance Monitoring Reports being issued by the Supplier at such location and time (within normal business hours) as the Buyer shall reasonably require;
 - 3.3.2 be attended by the Supplier's Representative and the Buyer's Representative; and
 - 3.3.3 be fully minuted by the Supplier and the minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to the Buyer's Representative and any other recipients agreed at the relevant meeting.

Call-Off Schedule 14 (Service Levels)

Call-Off Ref: SR323903821

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- 3.4 The minutes of the preceding Month's Performance Review Meeting will be agreed and signed by both the Supplier's Representative and the Buyer's Representative at each meeting.
- 3.5 The Supplier shall provide to the Buyer such documentation as the Buyer may reasonably require in order to verify the level of the performance by the Supplier and the calculations of the amount of Service Credits for any specified Service Period.

4. Satisfaction Surveys

- 4.1 The Buyer may undertake satisfaction surveys in respect of the Supplier's provision of the Deliverables. The Buyer shall be entitled to notify the Supplier of any aspects of their performance of the provision of the Deliverables which the responses to the Satisfaction Surveys reasonably suggest are not in accordance with this Contract.