

Call-Off Schedule 14 (Service Levels)

Definitions

In this Part Call-Off Schedule 14, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

“Critical Service Failure” Means a failure to meet a Service Level Threshold in respect of a Service Level

Performance Monitoring Report Means a Performance Monitoring Report as specified by Section 3 of this Call-Off Schedule 14

"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 Section 2 of this Call-Off Schedule 14; and

"Service Level Threshold" shall be as set out against the relevant Service Level in the Annex to Section 2 to this Call-Off Schedule 14

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

- 1.1 The Supplier shall at all times provide the Deliverables to meet the Service Level Performance Measure for each Service Level.
- 1.2 The Supplier acknowledges that any Service Level Failure shall entitle the Buyer to the rights set out in Section 2 to this Schedule 14.
- 1.3 The Supplier shall send Performance Monitoring Reports to the Buyer in accordance with the provisions of Section 3 (Performance Monitoring) of this Call-Off Schedule 14.

2. Critical Service Level Failure

On the occurrence of a Critical Service Level Failure:

- 2.1 the Buyer shall 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 2 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.

Section 2: Service Levels

1. Service Levels

- 1.1 If the level of performance of the Supplier is likely to or fails to meet any Service Level Performance Measure 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:
 - 1.1.1 require the Supplier to immediately take all remedial action that is reasonable to mitigate the impact on the Buyer.
 - 1.1.2 instruct the Supplier to comply with the Rectification Plan Process, and/or.
 - 1.1.3 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).

ANNEX 1 TO SECTION 2: SERVICES LEVELS TABLE

| Service Levels | | | |
|---|---|---|---|
| <i>Service Level Performance Criterion</i> | <i>Key Indicator</i> | <i>Service Level Performance Measure</i> | <i>Service Level Threshold</i> |
| Accurate and timely invoicing to the Buyer | Accurate and within 2-weeks of the billing period | 2 data errors and/or late invoices within a rolling 3-month period. | 3 data errors and/or late invoices within a rolling 3-month period |
| Preparation and sending of requested quotations to the Buyer | Accurate and within 48 hours of a request | 2 data errors and/or late quotations within a rolling 3-month period. | 3 data errors and/or late quotes within a rolling 3-month period |
| Order processing | Completion within 3-working days of receipt of a valid Purchase Order | 2 occurrences of processing >5-working days and/or 2 processing errors within a rolling 3-month period. | 3 errors and/or delayed processing within a rolling 3-month period |
| Entitlement delivery | Products deployed to specified tenant within 4-working days | 2 deployment errors and/or late deployments. within a rolling 3-month period. | 3 deployment errors and/or late deployments within a rolling 3-month period |
| Entitlement reconciliation (Matching entitlements to Proof of Entitlement) | Reconcile POE with VLSC and resolve discrepancies within 5-working days | 2 discrepancy errors unresolved on time within a rolling 3-month period | 3 discrepancy errors unresolved on time within a rolling 3-month period |
| Access to Buyer support – Acknowledge request | Within 1-working day | 2 failures to respond on time within a rolling 6-week period | 3 failures to respond on time within a rolling 6-week period |
| Access to Buyer support - Response | As agreed, but no longer than 5-working days | 2 failures to act as agreed on time within a rolling 6-week period | 3 failures to act as agreed on time within a rolling 6-week period |

Section 3: Performance Monitoring

1. Performance Monitoring and Performance Review

- 1.1 Within twenty (20) Working Days of the Start Date the Supplier shall provide the Buyer with details of the proposed process for monitoring and reporting of Service Levels, and the Parties will try to agree the process as soon as reasonably possible.
- 1.2 The Supplier shall provide the Buyer with performance monitoring reports ("Performance Monitoring Reports") as agreed pursuant to paragraph 1.1 above which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:
 - 1.2.1 for each Service Level, the actual performance achieved over the relevant Service Period.
 - 1.2.2 a summary of all failures to achieve Service Levels.
 - 1.2.3 details of any Critical Service Level Failures.
 - 1.2.4 for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence, and:
 - 1.2.5 such other details as the Buyer may reasonably require.
- 1.3 The Parties shall attend meetings to discuss Performance Monitoring Reports ("Performance Review Meetings") on a Monthly basis to review by Performance Monitoring Reports. The Performance Review Meetings shall:
 - 1.3.1 take place within one (1) week of the Performance Monitoring Reports being issued at such location and time (within normal business hours) as the Parties may agree.
 - 1.3.2 be attended by the Supplier's Representative and the Buyer's Representative; and
 - 1.3.3 be fully minuted by the Supplier, with the minutes circulated by to all attendees at the relevant meeting within 5 working days and any other recipients agreed at the relevant meeting.
- 1.4 The Supplier shall provide to the Buyer such documentation as the Buyer may reasonably require verifying the level of the performance by the Supplier for any specified Service Period.