Schedule 3

Service Levels

1. Introduction

1.1 This Schedule 3 (**Service Levels**) sets out Service Levels and any applicable Service Credits.

1.2 The Services must be provided to a consistently high quality and meet the requirements of performance and reliability as set out within the technical requirements as described in Schedule 2 (**Authority's Service Requirements**).

2. Service Credits

2.1 The Authority shall have the right to apply Service Credits to any Service Levels at any time during the Term.

2.2 Save where Service Credits are operable from the Commencement Date, in the event that the Authority exercises its right in paragraph 2.1 above, it shall discuss in good faith with the Supplier, the amount of any Service Credit to the relevant Service Level/s and the date from which such Service Credit will be operable. Thereafter, the Authority shall notify the Supplier by a Contract Change Request of:

(i) the amount of the Service Credit;

(ii) the Service Level to which it applies; and

(iii) the date from which the Service Credit will be operable.

2.3 The Parties acknowledge that the Service Credits referred to in paragraph 2.2 above are a genuine pre-estimate of the loss likely to be suffered by the Authority and that the amounts are reasonable.

2.4 In the event that due to a Service Level Default by the Supplier the Services fail to meet any Service Levels to which Service Credits are applicable, the Supplier shall, as an adjustment to the Service Charges, credit the Authority

with the applicable Service Credits which shall be calculated in accordance with the relevant Service Credit amounts set out in this Schedule.