

## Appendix E

### Service Level Agreement

This Service Level Agreement (the “SLA”) applies to and forms part of the Framework Agreement concluded between the European Stability Mechanism (the “ESM”) and [NAME OF THE SERVICE PROVIDER] (the “Service Provider”) effective as of [REDACTED] 2024 (the “Framework Agreement”).

#### **Article 1 – DEFINITIONS**

Any terms not defined in this SLA shall have the meaning given to them in the Framework Agreement.

“**Business Day**” means any day except for any Saturday, Sunday, or ESM holidays as established by the ESM;

“**Change Request**” means an implementation i.e. update or change or modification of the Solution’s configuration which is not part of a Resolution;

“**Incident**” means any improper performance of the Solution, or a defect affecting users’ ability to use the Solution in accordance with the Framework Agreement, including in particular the Terms of Reference, or the quality thereof, or a request for advice concerning using the Solution;

“**KPI**” means a key performance indicator;

“**NBD**” means a Business Day following a Business Day when a Ticket is submitted;

“**Response**” means the written acknowledgement that an Incident was reported;

“**Resolution**” means, depending on the type of Incident: (i) the implementation of a working fix after an Incident, allowing the Solution to operate as planned, or (ii) the provision of requested advice. A workaround which does not fix the Incident completely is not considered a Resolution of that Incident;

“**Service Credits**” mean sums owed by the Service Provider to the ESM for failing to adhere to KPI(s);

“**Ticket**” means a ticket submitted by the ESM in ServiceNow or another ticketing system as agreed with the ESM.

“**User Acceptance Testing**” means a situation when a user validates in a test environment that the functionality provided by the Service Provider works as expected (i.e. is aligned with the expected outcome of the test result) by executing a test before the said functionality is deployed in production.

#### **Article 2 – INCIDENTS AND CHANGE REQUESTS**

- 2.1 The Service Provider is responsible for supporting and maintaining the Solution in accordance with the Framework Agreement, including in particular the Terms of Reference.
- 2.2 The Service Provider is obliged to respond and, if applicable, to correct Incidents in the Solution arising during the Framework Agreement’s term in accordance with the provisions set out in this SLA. The Service Provider is obliged to provide a Resolution to an unresolved Incident even if the Framework Agreement is terminated or lapses during Resolution time.
- 2.3 Incidents will be categorised as follows, and the Service Provider is obliged to adhere to the following maximum Response and Resolution times, respectively:

Priority	Description	Response time	Resolution time
<b>Priority 1</b>	<ul style="list-style-type: none"> <li>The whole ESM is affected</li> <li>Core business process cannot be successfully executed</li> <li>No workaround is available</li> <li>Emergency incident</li> </ul>	30 minutes	1 Business Days as of the end of the Business Day the Incident was reported
<b>Priority 2</b>	<ul style="list-style-type: none"> <li>Configuration does not work as designed</li> <li>Several departments/users are impacted</li> <li>A business time line (i.e. period closing) is at risk</li> <li>Severe loss of service, yet operation can continue in a restricted fashion</li> </ul>	60 minutes	2 Business Days as of the end of the Business Day the Incident was reported
<b>Priority 3</b>	<ul style="list-style-type: none"> <li>Few users are impacted</li> <li>Isolated incident</li> <li>Inconvenience, minor loss of service</li> </ul>	5 hours	4 Business Days as of the end of the Business Day the Incident was reported
<b>Priority 4</b>	<ul style="list-style-type: none"> <li>General information, advice requested</li> <li>Cosmetic enhancement</li> </ul>	8 hours	6 Business Days as of end of the Business Day the Incident was reported

- 2.4 The Response times and Resolution times will apply to both remote support and onsite support as described in the Terms of Reference.
- 2.5 The ESM will reasonably assess the Priority level of each reported Incident and will provide it to the Service Provider upon submitting the ticket using the ESM ticketing system or audit proofed service provider ticketing system.
- 2.6 For the purposes of this SLA, the Response and Resolution times are calculated from the moment when the Incident was reported to the Service Provider. All references in this SLA to times shall refer to Central European Time (CET) as seasonally adjusted for summer time (CST).
- 2.7 The Service Provider may request additional information concerning the Incident from the ESM if this is necessary to provide a Response and/or a Resolution, and the ESM will promptly provide such additional information if it has access to it/possesses additional information about it. The time for providing the additional information is also taken into account while calculating the Response and/or Resolution times, although this rule does not apply to the first request concerning each Incident.
- 2.8 The Service Provider will provide monthly status reports to the ESM regarding the status of each reported Incident.
- 2.9 For the avoidance of doubt, if the Service Provider provides a successful workaround that lowers the Priority of the Incident, but does not allow for a full Resolution of an Incident, then, starting from the time of a successful implementation of such a workaround, the respective Ticket will be closed. The ESM will however open a new Ticket with a lower priority and a lower Resolution time in accordance with this SLA.
- 2.10 The Resolution time lapses at the time when the ESM is notified by the Service Provider that a Resolution to an Incident was provided, on the condition that a fully successful Resolution was actually provided. The ESM will evaluate as soon as reasonably possible whether the Resolution was actually provided. The Resolution time includes any time taken by the Service Provider to correct the Resolution until the ESM accepts it, but without taking into account the ESM's evaluation time.
- 2.11 The Service Provider is obliged to introduce Change Requests in the Solution as requested by the ESM.

### Article 3 – EXCLUSIONS

- 3.1 Maintenance sessions (periods when the Solution is unavailable or does not work as designed intended for maintenance of the Solution, system upgrades etc.) are not considered Incidents.
- 3.2 The Service Provider will promptly inform the ESM if, in the Service Provider's reasonable opinion, an Incident may not be fixed without receiving support directly from Oracle, and will provide the ESM with a detailed description of the presumed cause of the Incident. The Resolution time is suspended during the time when the Oracle service request ticket is processed. The Service Provider shall nevertheless use its best efforts to minimise the impact of the Incident to the ESM's business, especially by providing workaround solutions. If a workaround solution is provided by the Service Provider and accepted by the ESM acting reasonably, the Resolution time is also suspended.
- 3.3 The Service Provider is not responsible for improper performance of the Solution attributable to causes beyond the Service Provider's reasonable control, such as the ESM's network infrastructure failures.

### Article 4 – KPIS AND SERVICE CREDITS

- 4.1 The Service Provider must adhere to the following KPIs:
  - a. 90% of the high-level estimations of the Service Provider's effort and costs for implementing Change Requests will be provided within five (5) Business Days as of the end of the Business day the Change Request was received unless otherwise agreed between the Parties in writing;
  - b. No more than 10% of the Change Requests will have more than three (3) Incidents during User Acceptance Testing;
  - c. 90% of the Change Requests will not require more than one (1) post go live fix, unless there is any Oracle patching dependency;
  - d. 95% of the Resolutions will be provided within the deadlines prescribed in Article 2.3 above.
- 4.2 The Service Provider will measure its performance against each of the KPIs defined in Article 4.1 a. - c. on a quarterly basis and will provide to the ESM, as part of the Service Provider's SLA reports, a detailed and comprehensive written report of its performance against these KPIs during each applicable reporting period by the end of the tenth (10th) calendar day of the month following the end of a quarter.
- 4.3 The Service Provider will measure its performance against each of the KPIs defined in Article 4.1 d. on a quarterly basis, and will provide to the ESM, as part of the Service Provider's SLA reports, a detailed and comprehensive written report of its performance against this KPI during each applicable reporting period by the end of the tenth (10th) calendar day of the month following the end of a quarter.
- 4.4 As outlined in the Terms of Reference, the Service Provider will provide written quarterly SLA reports to the ESM, by the date as agreed with the ESM and in a format as agreed with the ESM, following each applicable reporting period for all KPIs described in Article 4.1. The Parties agree to use ESM ServiceNow (or another ticketing system as agreed with the ESM) as a measurement tool.
- 4.5 Any failure to achieve a KPI may, at the ESM's sole discretion acting reasonably, result in Service Credits due to the ESM as follows:

- a. for not adhering to a KPI described in Articles 4.1.a. - c., the Service Provider will pay the value of:

<b>SERVICE CREDITS FOR KPIs IN ARTICLE 4.1 A – C</b>	
1%	per one KPI that is not adhered to in any given quarter
2%	if two KPIs are not adhered to in a given quarter
3%	if all three KPIs are not adhered to in a previous quarter

The percentage is calculated based on the total amount invoiced to the ESM for the Change Requests in the previous quarter during which the KPI(s) was/were exceeded;

- b. for not adhering to the KPI described in Article 4.1 d., the Service Provider will pay per each individual Incident the value of:

<b>SERVICE CREDITS FOR KPIs IN ARTICLE 4.1 D</b>	
2%	in the first quarter when the KPI was not adhered to
3%	in the second consecutive quarter when the KPI was not adhered to
4%	in the third consecutive quarter when the KPI was not adhered to
4%	any further consecutive quarters when the KPI was not adhered to, the value of a penalty for that KPI remains at 4%
	any following quarter in which the KPI is achieved, the value of the penalty for that KPI reverts to 0%

The percentage is calculated based on the total amount invoiced to the ESM for all support and maintenance services performed in the quarter during which the KPI was exceeded.

- 4.6 For the avoidance of doubt, if the Service Provider fails to adhere to more than one of the KPIs for a single Change Request and/or Incident, all respective Service Credits will be applicable.
- 4.7 Service Credits for not achieving the KPIs described in Article 4.1 d. will be deducted from the next monthly invoice issued for support and maintenance services performed in the month following the end of a quarter for which the applicable Service Credits are due. For KPIs described in Articles 4.1.a. - c., Service Credits will be deducted from the next monthly invoice issued for Change Requests performed in the month following the end of a quarter for which the applicable Service Credits are due. If the outstanding Service Credits are higher than the amount payable under the relevant invoice, the balance of the Service Credits will be deducted from the following invoice or, at the end of the Framework Agreement, paid to the ESM via bank transfer.
- 4.8 The ESM’s failure to analyse and enforce KPIs will not be deemed a waiver of such performance standards.
- 4.9 Failure to achieve the KPI described in Article 4.1 for two consecutive quarters or any of the KPIs described in Articles 4.1.a. - c. for two consecutive quarters constitutes a material breach of the Service Provider’s obligations under the Framework Agreement.
- 4.10 Service Credits will not have any impact on any claim for damages (including claims related to breaches of KPIs) by the ESM.

**Article 5 – ESCALATION MATRIX**

The below table provides the escalation paths within ESM and the Service Provider concerning any issues, including delays in reviewing released deliverables. ‘Issues unresolved for’ indicates the time which has elapsed since an issue was first notified to the other Party.

<b>Escalation from the ESM to the Service Provider</b>	
Issues unresolved for	<b>Escalate to</b>
2 Business Days	Level 1 – [TBD] Project Manager
5 Business Days	Level 2 – [TBD] Client Partner
<b>Escalation from Service Provider to the ESM</b>	
Issues unresolved for	<b>Escalate to</b>
2 Business Days	Level 1 – ESM Project Manager
5 Business Days	Level 2 – ESM Head of IT&Ops