Conditions for Provision of SLA (Service Level Agreement)

(hereinafter referred to as “Contract”)

This Contract lists the conditions under which Telefónica O2 Czech Republic, a.s. provides SLA guarantee for International Wholesale Services

Telefónica O2 Czech Republic, a.s.

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(hereinafter referred to as “The Provider”)

and

“User”

1. Subject of the Service Level Agreement (SLA)

1.1. The subject of the SLA from the part of the Provider is to provide to the User a guarantee of provided services quality agreed in the SLA for the wholesale services, that is telecommunication lines provided under the CONTRACT FOR PROVISION OF INTERNATIONAL TELECOMMUNICATIONS SERVICES (hereinafter referred to as “Main Contract”) or under valid Technical and Servicing Specification with, if there is no signed Main Contract.

1.2. The subject of the SLA from the part of the User is an obligation to pay a price defined in the SLA for this guaranteed quality of provided services.

1.3. By concluding the SLA the Provider guarantees to the User high availability, reduced repair time, and defined communication in case of operating issues related to wholesale services, that is telecommunication lines provided under the Main Contract.

2. Manner of Ordering Service Level Agreement

2.1. The Service Level Agreement is defined as individual level of services provided by the Provider to the User under the Main Contract. SLA is applied on all leased telecommunication lines, which are ordered with a SLA guarantee.

3. Definitions and procedures

3.1. SLA Period

The guaranteed parameters are always monitored over a period of calendar month. The evaluation of the SLA parameters shall be carried out in the month following after the monitored calendar month. Compensation in the amount of SLA price for the parameters not being kept during the monitored period shall also be granted in the month following after the monitored period upon receipt of the reasonable request of the User made in written.. In such case the User is entitled to require in writing compensation in the amount of proportion of the monthly price.
3.2. Fault

Fault of a leased line is defined as a status where one or more parameters of the line are worse than the technical parameters specified in the technical specification of the line and at the same time the line is not operated by the User or a status when the operation of the line is impossible due to the reasons on the part of the Provider. Such status shall be reported to the Provider’s Help Desk.

The Provider guarantees BER=10^{-10} in accordance with the recommendation of ITU-T G.821. In case the BER>10^{-6} the Service shall be considered as Fault.

3.3. Force Majeur

The duration of the Fault shall further not include the duration caused by force majeur, e.g. natural disasters (earthquake, hurricanes, floods), war, riots or other major upheaval, terrorist attack, etc., or a similar event independent on the will of the Provider that prevents the Provider from fulfilling his obligations, providing that it cannot be reasonably assumed that the Provider could avert or overcome this obstacle or its consequences and further that the Provider expected this obstacle at the time when this obligation was established.

3.4. Fault Start

The Fault Start for the purposes of defining the duration of the leased line Fault is the time, when the Fault was reported by the User in a manner defined under the section 4.1.

3.5. Response time

The time between the start of the Fault and the moment when the User is informed on the steps leading to its repair and on the expected time of the end of Fault is called response time.

3.6. Current information on the Fault

In case the duration of the Fault exceeds the guaranteed duration of the Fault specified in the section 5, the User shall receive regular on hourly basis information on the status of the Fault in the intervals agreed by both contractual parties (contact persons).

3.7. Service intervention

Service intervention is defined as performance of actions leading to direct localisation and repair of the Fault of the leased line by replacement by a flawless line or by repair of the fault on the transmission equipment or transmission media. Software based activities (e.g. reset, re-configuration) are considered to be service interventions.

3.8. Interruption of the Fault duration

If the service intervention requires access of the Provider’s employees to the telecommunications equipment located at the premises of the User or premises used by the User, the User shall provide this access at the required time. If the User fails to provide access the count of the Fault duration shall be suspended. The Provider shall inform the User by fax, e-mail or phone on this interruption of the duration count and on the reasons for the interruption and at the same time shall agree with the User on the time when the Provider’s employees will get access and/or other obstacles on the part of the User shall be removed. The Fault duration count is reinstated as of the moment when the Provider’s employees get access to the telecommunication equipment.

3.9. Fault End

The Fault is ended after the service restored, i.e. a status when all parameters of the line fully comply with the technical parameters specified in the technical specification of the line, and when the User is notified by the Provider that the Fault was repaired. Specific details are defined under the section 4.3.
3.10. Service availability

Service availability is a ratio of the duration of time when the service was available to the User, that is when there was not Fault, to the duration of the total monitored period. It is represented in percentage. Monthly availability shall be determined in the following manner:

Monthly availability in percent = \( \frac{HM - HP}{HM} \times 100 \), where

- HM is total number of hours in the relevant month
- HP is a total of all duration of Faults of the line in the relevant month when there was a fault on the line due to the reasons on the part of the Provider.

Note: number of hours in a month = 720

In case a Fault overruns from one month to the following one, such Fault is included into the parameters of the month during which the Fault was also ended.

Duration of a Fault is not being counted in the evaluated parameters in the following cases:

- Fault on inner lines or Customer Premises Equipment (CPE), which is not provided and managed by the Provider;
- Fault emerged due to outage of a power supply which is provided by the User;
- Time over which the maintenance staff of the Provider did not have access in order to repair the Fault to User’s premises or third party premises with access controlled by User;
- Time over which the User verifies functionality of the repaired circuit and which exceeded 30 minutes.

3.11. Planned works and maintenance

Planned works is an interruption of operation that was reported at least 5 days in advance. The duration of the planned works in this case shall not be considered as a Fault and shall not be included in the availability calculation. Where possible, the Provider will use the Maintenance window to carry out Planned works which is between the 24.00 – 6.00 with the exception of works which require to be carried out during the daylight time. Unavailability caused by planned works that (i) fail to comply with the provisions set out within this document or (ii) exceed the agreed scheduled time shall be included in determining unavailability.

3.12. Contact Points of the User

The User shall define in an Appendix to this SLA relevant contact points (technical and network operation), which:

- Addresses urgent operating issues and Fault statuses of all their leased lines with SLA applied. This is the User’s contact point to which the Provider sends Response to Fault, Advice on Interruption of Fault, Report on Fault End,
- Receives all requests for operation interruption of lines of the User with SLA applied and it is a platform for agreeing the most suitable time for the interruption if possible.

3.13. SLA form

SLA form is an order form of SLA that is used by the User to order or cancel SLA for a line of a specific service. SLA form must contain particularly the following information: number and identification of the line, date by which the SLA shall be applied on the line and the SLA type for the particular line. SLA order for new circuits/services shall be indicated in the circuit order form, i.e. TSS.

4. Defined Communication Procedures

4.1 Fault receipt

The Provider’s Help Desk for receipt of leased line Fault reports is available 24x7x365 on the telephone number +420 2714 64466. This contact number must be used to report a Fault by the User. Otherwise the Provider cannot guarantee the SLA parameters.
Reporting of leased line Fault is governed by the following procedure:

The User:
- Provides the identification (name/company/address).
- Provides the name of the line that is specified in the Acceptance protocol of the relevant service concluded with the Provider.
- Provides information on the Fault
- Approves the Fault start time with the Provider’s operator

Provider’s operator:
- Provides the identification
- Confirms Fault take-over from the User
- Approves the Fault start time with the User
- Enters the data in a new trouble ticket (TT)

In case the User does not know the exact name of the line and the Provider has to identify the line subject of the claim from the database, the time when the Provider identified the line shall be considered as the Fault start time.

4.2 Response to Fault report and diagnostics

After gaining sufficient information from the relevant maintenance office and from the monitoring centre or other offices involved in the Fault repair the employee addressing the Fault shall provide the following information to the User contact person:

- Operator name and his office name
- Name of the line that is specified in the Acceptance protocol of the relevant service concluded with the Provider
- Fault number (Trouble Ticket Number)
- the User approved Fault start time
- Reason for outage if known at the particular moment (generally: fault of equipment, route Fault, outside the territory of the Czech Republic …etc.)
- Information (based on the result of the diagnostics, if possible) on the steps taken to repair the Fault (for example: necessity to send Provider's maintenance staff in order to localise or repair the Fault to the location of the line termination in the User premises) and the expected end time for the Fault.

This information shall be provided to the User in an agreed way by telephone, fax or by e-mail. The response time is set for one hour.

4.3 End of Fault

The Fault is ended after the service restored, i.e. a status when all parameters of the line fully comply with the technical parameters specified in the technical specification of the line, and when the User is notified by the Provider that the Fault was repaired. End of Fault is for the purpose of Fault duration considered a time when announced to the User and approved by the User that the Fault was ended. Length of time attributed to the difficulties of contacting the contact person of the User shall not be considered for the Fault duration. In this case the End of Fault shall be the time when the Fault was ended and the process of contacting the User in order to approve the End of Fault has been initiated.

After the End of Fault was announced, the User shall clearly agree or deny that the Fault was ended within a time of 30 minutes. In case that the User shall not react within this time period, his consent with the End of Fault shall be deemed granted.

Shall the User and the Provider have a disagreement on the matter whether all the technical parameters of the service were restored, i.e. the Fault was ended, then the defined escalation procedure shall be applied.

Once it is agreed with the User that the Fault was ended, the “Report on Fault End” will be sent to the User by the Provider via Fax or Email. This Report consists of:
• Operator name and his office name
• Name of the line that is specified in the Acceptance protocol of the relevant service concluded with the Provider
• Fault number (Trouble Ticket Number)
• the User approved Fault start time
• Reason for outage if known at the particular moment (generally: fault of equipment, route Fault, outside the territory of the Czech Republic …etc.)
• the User approved Fault end
• Text note in case of a need for further explanation

4.4 Reporting
The Provider will process Monthly report of Guaranteed Parameters SLA, hereafter as Monthly Report, with a list of faults and calculated actual monthly availability for all leased lines with defined SLA level, for which a Fault was registered during the particular month. The Monthly Report shall be sent to the User along with the invoice in the month following the monitored period. The Monthly Report shall not be sent in case no Fault was registered in the particular month.

4.5 Reclamation
In case of a disagreement with the records in the Monthly Report, the User is entitled to object in a reasonable period of time but no longer than 2 months after the Monthly Report and Invoice was received in accordance with the current Reclamation Order.

4.6 Service Disconnection Due to Wide Range Incidents
Provider may disconnect a service in case of a Wide Range Incident while it will always be announced to the User giving an estimate on time to restore the service. A service may be disconnected due to Wide Range Incidents in order to prevent wider range damages and to prevent harm on health or life. Such a disconnection is considered a fault and is determined as unavailability.

5. Guaranteed parameters and prices
The Provider guarantees by this Contract a guarantee on two basic parameters: monthly availability and maximum fault duration. SLA is provided to the telecommunication lines where it is defined various levels of parameters of service. Various levels of SLA parameters correspond to various technical solutions, especially in the access part of a circuit. The list of SLA levels and relevant parameters is given in the following table:

<table>
<thead>
<tr>
<th>SLA Level</th>
<th>Monthly availability (in %)</th>
<th>Max. fault duration (hours)</th>
<th>Response time (hours)</th>
<th>Interruption due to planned works (hours/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLA 99.5</td>
<td>99.5</td>
<td>8</td>
<td>1</td>
<td>10</td>
</tr>
</tbody>
</table>

5.1 Prices for sales, installation and maintenance
Price for SLA on the specific line is determined as a percentage rate of the basic monthly fee for the relevant leased telecommunication line excluding discounts and additional services.
### Table of SLA Prices

<table>
<thead>
<tr>
<th>Service</th>
<th>SLA Level</th>
<th>Price for SLA (% of monthly fee for the leased line)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant service ordered via valid and signed Technical and Servicing Specification, defined by name, capacity, technical solution, etc.</td>
<td>SLA 99.5</td>
<td>0% (part of the service)</td>
</tr>
</tbody>
</table>

5.2 **Calculation of the amount returned in case of failure to comply with the guaranteed parameters**

In case of failure to comply with one or more guaranteed limits under the section 5 of this SLA due to reasons on the part of the Provider, the User is entitled to require in writing a compensation in the amount of the entire price for SLA and proportional part of the *monthly fee for the relevant leased telecommunication line* hereinafter referred to as *monthly fee*, that is calculated in the following way:

#### MONTHLY AVAILABILITY

<table>
<thead>
<tr>
<th>SLA 99.5</th>
<th>Reimbursement of the Monthly Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.49 % to 99.20 %</td>
<td>5%</td>
</tr>
<tr>
<td>99.19 % to 99.00 %</td>
<td>10%</td>
</tr>
<tr>
<td>98.99 % to 98.50 %</td>
<td>15%</td>
</tr>
<tr>
<td>98.49 % to 98.00 %</td>
<td>20%</td>
</tr>
<tr>
<td>Lower than 98.00 %</td>
<td>30%</td>
</tr>
</tbody>
</table>

#### FAULT DURATION

<table>
<thead>
<tr>
<th>SLA 99.5</th>
<th>Reimbursement of the Monthly Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fault ≤ 8</td>
<td>0%</td>
</tr>
<tr>
<td>8.01 to 11</td>
<td>5%</td>
</tr>
<tr>
<td>11.01 to 14</td>
<td>10%</td>
</tr>
<tr>
<td>14.01 to 17</td>
<td>15%</td>
</tr>
<tr>
<td>17.01 to 20</td>
<td>20%</td>
</tr>
<tr>
<td>More than 20</td>
<td>30%</td>
</tr>
</tbody>
</table>

- Rule in case Fault Duration (Time to Restore) exceeded more than once a month: reimbursement shall be determined for every exceeded Fault separately and those be summed up while the maximum penalty in case of exceeded Fault Duration is 30 % of the monthly rental. A penalty for poor Monthly Availability can be applied concurrently.
• In case both guaranteed parameters are not kept, then a combination of penalties for both poor Monthly Availability and for exceeded Fault Duration shall be used. The maximum combined penalty if both parameters not kept shall be 60% of the monthly rental.

• In case a continuous duration of one Fault exceeds 7 calendar days, the User shall be entitled to withdraw from the Contract immediately. If the User does not withdraw from the Contract, the above stated compensation schemes are no longer applied and the Provider shall return to the User the monthly fee for the relevant calendar month. In this case the return of the fee represents the only possible compensation also for the case of failure to comply with the availability and exceeded duration of repair.

• Achievement of the limit values of the guaranteed parameters is considered to constitute compliance with the SLA conditions.

5.3 Settlement of the returned amount for failure to comply with SLA guarantees

After the end of the monitored monthly period the User is entitled to require, in writing, a compensation in the amount of the entire price for SLA and proportional part of the monthly fee. In case of payment arrears of the User the credit note shall be issued only after settlement of the due obligations of the User to the Provider.

5.4 Escalation procedure

Escalation Procedure for Fault Reporting and Service restoration:

<table>
<thead>
<tr>
<th>Escalation</th>
<th>Name</th>
<th>Function</th>
<th>Telephone</th>
<th>e-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>II. level</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>III. level</td>
<td></td>
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</tr>
</tbody>
</table>

Should the User have any reasons to contravene the correctness of Provider’s approach towards repair of a disorder notified by the User or regarding scheduling of Planned work or the correctness of remedy procedure of service defect on the part of User, it may escalate the problem. The names and contact numbers of Provider’s employees securing the escalation mechanism as of this SLA’s execution date are specified bellow:

<table>
<thead>
<tr>
<th>Customer Reference</th>
<th>ČESKÝ TELECOM Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational issues</td>
<td></td>
</tr>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Tel:</td>
<td>Tel:</td>
</tr>
<tr>
<td>Fax:</td>
<td>Fax:</td>
</tr>
<tr>
<td>E-mail:</td>
<td>E-mail:</td>
</tr>
<tr>
<td>Contractual issues</td>
<td></td>
</tr>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Tel:</td>
<td>Tel:</td>
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<tr>
<td>Fax:</td>
<td>Fax:</td>
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<td>E-mail:</td>
<td>E-mail:</td>
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</table>