

# EXIT STRATEGY AND TRANSITION PLAN

**Document Reference:** EXIT-2025-CLOUD-001 **Related Contract:** MSA-2025-CLOUD-001

**Provider:** NordCloud Systems AG **Client:** EuroFinance Bank AG

**Last Updated:** January 15, 2025 **Next Review:** July 15, 2025

## 1. EXECUTIVE SUMMARY

This Exit Strategy documents the arrangements for orderly termination of ICT services provided by NordCloud Systems AG, ensuring business continuity and compliance with DORA Article 28(8) requirements.

### 1.1 Key Metrics

Metric	Value
Estimated Exit Duration	9-12 months
Estimated Exit Cost	EUR 2.8 million
Data Volume to Migrate	45 TB
Applications Affected	12
Staff Requiring Transition	85

## 2. EXIT TRIGGERS

### 2.1 Planned Exit Scenarios

Trigger	Notice Period	Lead Time
Contract Expiry	180 days	12 months
Strategic Decision	180 days	12 months
Vendor Consolidation	180 days	12 months

## 2.2 Unplanned Exit Scenarios

Trigger	Notice Period	Lead Time
Provider Insolvency	Immediate	6 months (expedited)
Material Breach	30 days	9 months
Regulatory Order	Per authority	6-12 months
Security Incident	Immediate	6 months (expedited)

## 3. SUBSTITUTABILITY ASSESSMENT

### 3.1 Overall Assessment

Criteria	Rating	Justification
Overall Substitutability	Medium	Proprietary integrations require effort
Technical Complexity	High	Custom APIs, data formats
Operational Dependency	High	8 critical functions
Alternative Availability	Good	3+ qualified providers
Regulatory Impact	High	Continuity requirements

### 3.2 Service-Level Substitutability

Service	Substitutability	Effort	Alternative Providers
Cloud Infrastructure (IaaS)	High	3 months	AWS, Azure, GCP
Core Banking SaaS	Low	9 months	Temenos, Finastra, FIS
Database Services	Medium	6 months	AWS RDS, Azure SQL
Security Operations	Medium	4 months	IBM, Secureworks, Arctic Wolf

### 3.3 Barriers to Exit

Barrier	Severity	Mitigation
Data migration complexity	High	Phased migration approach

Barrier	Severity	Mitigation
Application dependencies	High	API abstraction layer
Staff knowledge transfer	Medium	Documentation, training
Integration complexity	High	Parallel running period
Contractual lock-in	Low	180-day notice sufficient

## 4. ALTERNATIVE PROVIDERS

### 4.1 Pre-Qualified Alternatives

Provider	Services	Assessment Status	Last Review
<b>Amazon Web Services</b>	IaaS, PaaS	Qualified	November 2024
LEI: 549300AWS0000000001			
<b>Microsoft Azure</b>	IaaS, PaaS, SaaS	Qualified	October 2024
LEI: 549300MSFT0000000002			
<b>Google Cloud Platform</b>	IaaS, PaaS	Qualified	September 2024
LEI: 549300GOOG0000000003			
<b>Temenos AG</b>	Core Banking	Qualified	December 2024
LEI: 549300TEME0000000004			

### 4.2 Alternative Assessment Criteria

Criteria	Weight	AWS	Azure	GCP
EU Data Residency	25%	Yes	Yes	Yes
C5 Certification	20%	Yes	Yes	Yes
Financial Stability	15%	High	High	High
Migration Support	15%	Good	Good	Medium
Price Competitiveness	15%	Medium	Medium	High
Technical Fit	10%	High	High	Medium

## 5. REINTEGRATION ASSESSMENT

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### 5.1 In-House Capability Assessment

Capability	Current State	Gap	Effort to Build
Data Center Operations	None	High	24+ months
Infrastructure Management	Limited	High	18+ months
Application Hosting	None	High	12+ months
Security Operations	Partial	Medium	12+ months
Database Administration	Limited	Medium	9+ months

### 5.2 Reintegration Feasibility

Scenario	Feasibility	Estimated Cost	Timeline
Full Reintegration	Low	EUR 15+ million	24+ months
Partial Reintegration	Medium	EUR 8 million	18 months
Hybrid Model	High	EUR 4 million	12 months
Full Cloud Migration	High	EUR 2.8 million	9-12 months

### 5.3 Recommendation

**Recommended Strategy:** Migration to alternative cloud provider (not reintegration) due to: - Lower cost and faster timeline - Reduced operational risk - Better alignment with industry trends - Regulatory expectations for resilience

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## 6. EXIT PLAN PHASES

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### Phase 1: Planning (Months 1-2)

Activity	Duration	Owner	Deliverable
Exit decision formalization	Week 1-2	Management Board	Board resolution
Regulatory notification	Week 2-3	Compliance	BaFin notification
Alternative provider selection	Week 2-4	IT/Procurement	Provider contract

Activity	Duration	Owner	Deliverable
Detailed migration planning	Week 3-8	IT Architecture	Migration plan
Resource allocation	Week 4-8	HR/Finance	Resource plan

## Phase 2: Preparation (Months 3-4)

Activity	Duration	Owner	Deliverable
Target environment setup	4 weeks	IT Operations	Infrastructure ready
Data inventory completion	2 weeks	Data Management	Data catalog
Application assessment	3 weeks	IT Architecture	Dependency map
Integration design	3 weeks	IT Architecture	Integration spec
Staff training initiation	Ongoing	HR	Training plan

## Phase 3: Migration (Months 5-9)

Activity	Duration	Owner	Deliverable
Non-critical data migration	4 weeks	Data Management	Data migrated
Application migration (wave 1)	4 weeks	IT Operations	Apps migrated
Application migration (wave 2)	4 weeks	IT Operations	Apps migrated
Application migration (wave 3)	4 weeks	IT Operations	Apps migrated
Integration testing	4 weeks	QA	Test results

## Phase 4: Cutover (Months 10-11)

Activity	Duration	Owner	Deliverable
Final data sync	1 week	Data Management	Data sync complete
Production cutover	1 weekend	IT Operations	Live on new platform
Parallel running	4 weeks	IT Operations	Stability confirmed
Performance validation	2 weeks	QA	Performance report

## Phase 5: Completion (Month 12)

Activity	Duration	Owner	Deliverable
Service termination	1 week	Procurement	Termination notice
Data return verification	2 weeks	Data Management	Data received
Data deletion certification	4 weeks	Legal	Deletion certificate
Project closure	2 weeks	PMO	Closure report

## 7. DATA MIGRATION

### 7.1 Data Inventory

Data Category	Volume	Format	Sensitivity	Priority
Customer PII	15 TB	SQL, JSON	High	Critical
Transaction Data	20 TB	SQL	High	Critical
Document Store	8 TB	Binary	Medium	High
Audit Logs	2 TB	JSON	High	Medium
Configuration	50 GB	YAML, JSON	Medium	Critical

### 7.2 Migration Approach

Method	Applicable Data	Tool	Timeline
Database replication	Transactional data	Native tools	Continuous
Bulk transfer	Historical data	AWS DMS / Azure DMS	Batch
API sync	Real-time data	Custom ETL	Real-time
File transfer	Documents	SFTP / S3	Batch

### 7.3 Data Validation

Check	Method	Acceptance Criteria
Row count	Automated comparison	100% match

Check	Method	Acceptance Criteria
Checksum	Hash validation	100% match
Sample validation	Manual review	99.9% accuracy
Business rules	Automated testing	Pass all tests

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## 8. APPLICATION MIGRATION

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### 8.1 Application Portfolio

Application	Criticality	Dependencies	Migration Effort
Core Banking Platform	Critical	Database, APIs	High
Payment Gateway	Critical	External APIs	Medium
Customer Portal	High	Core Banking	Medium
Mobile App Backend	High	Core Banking	Medium
Reporting Platform	High	Database	Low
CRM System	Medium	APIs	Low

### 8.2 Migration Waves

Wave	Applications	Timeline	Risk
Wave 1	Reporting, CRM	Month 5-6	Low
Wave 2	Customer Portal, Mobile	Month 6-7	Medium
Wave 3	Payment Gateway	Month 7-8	High
Wave 4	Core Banking	Month 8-9	Critical

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## 9. RESOURCE REQUIREMENTS

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### 9.1 Internal Resources

Role	FTE Required	Duration
Project Manager	2	12 months
Solution Architect	2	10 months
Database Administrator	3	8 months
Application Developer	6	8 months
QA Engineer	4	6 months
Security Analyst	2	10 months
Change Manager	1	12 months

### 9.2 External Resources

Resource	Purpose	Cost Estimate
Migration Partner	Technical execution	EUR 800,000
Provider Exit Support	Knowledge transfer	EUR 150,000
New Provider Onboarding	Setup assistance	EUR 200,000
External QA	Independent testing	EUR 100,000

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## 10. COST ESTIMATE

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### 10.1 Cost Breakdown

Category	Estimated Cost (EUR)
Internal Staff	1,200,000
External Consultants	1,250,000
New Provider Setup	150,000
Parallel Running Costs	250,000



Category	Estimated Cost (EUR)
Contingency (15%)	400,000
<b>Total</b>	<b>3,250,000</b>

## 10.2 Cost Phasing

Phase	Cost (EUR)	Timing
Planning	200,000	Months 1-2
Preparation	400,000	Months 3-4
Migration	1,800,000	Months 5-9
Cutover	450,000	Months 10-11
Completion	400,000	Month 12

# 11. RISK MANAGEMENT

## 11.1 Key Risks

Risk	Likelihood	Impact	Mitigation
Data loss during migration	Low	Critical	Multiple backups, validation
Extended downtime	Medium	High	Parallel running, rollback plan
Staff attrition	Medium	Medium	Retention bonuses, documentation
Cost overrun	Medium	Medium	Fixed-price contracts, contingency
Regulatory non-compliance	Low	Critical	Early regulator engagement
Provider non-cooperation	Low	High	Contractual obligations, escrow

## 11.2 Contingency Plans

Scenario	Response
Migration delays	Extend parallel running, prioritize critical systems
Provider insolvency	Activate DR, accelerate migration

Scenario	Response
Data corruption	Restore from backups, revalidate
Staff shortage	Engage additional contractors

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## 12. TESTING AND VALIDATION

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### 12.1 Test Phases

Phase	Scope	Duration	Success Criteria
Unit Testing	Individual components	2 weeks	All tests pass
Integration Testing	End-to-end flows	3 weeks	All critical paths pass
Performance Testing	Load and stress	2 weeks	Meet SLA targets
User Acceptance	Business validation	2 weeks	Sign-off obtained
DR Testing	Failover procedures	1 week	RTO/RPO met

### 12.2 Go/No-Go Criteria

Criteria	Threshold
Data validation complete	100%
Critical test pass rate	100%
Performance targets met	95%
Security assessment passed	Yes
Regulatory approval	Yes
Business sign-off	Yes

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## 13. COMMUNICATION PLAN

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### 13.1 Stakeholder Communication

Stakeholder	Frequency	Channel	Owner
Board	Monthly	Board meeting	CEO
Regulators	As required	Formal letter	Compliance
Employees	Bi-weekly	Town hall, email	HR
Customers	As needed	Portal, email	Marketing
Provider	Weekly	Steering committee	PMO

### 13.2 Escalation Path

Issue Level	Escalation To	Response Time
Operational	Project Manager	4 hours
Tactical	Steering Committee	24 hours
Strategic	Management Board	48 hours
Crisis	Executive Committee	Immediate

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## 14. REGULATORY COMPLIANCE

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### 14.1 Regulatory Notifications

Authority	Timing	Requirement
BaFin	90 days before exit	Material outsourcing change
ECB	90 days before exit	SSM notification
Data Protection Authority	30 days before	GDPR notification

### 14.2 Compliance Checkpoints

Checkpoint	Timing	Approval Required
Exit decision	Month 0	Board

Checkpoint	Timing	Approval Required
Provider selection	Month 2	Procurement, Compliance
Migration start	Month 5	IT Steering Committee
Cutover approval	Month 10	Board
Service termination	Month 12	Legal, Compliance

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## 15. DOCUMENT CONTROL

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### 15.1 Review Schedule

Review Type	Frequency	Next Due
Full review	Annual	January 2026
Interim review	Semi-annual	July 2025
Cost update	Quarterly	April 2025
Risk assessment	Quarterly	April 2025

### 15.2 Approval

Role	Name	Date	Signature
Chief Information Officer	Thomas Schmidt	January 15, 2025	[Signed]
Chief Risk Officer	Dr. Friedrich Lange	January 15, 2025	[Signed]
Chief Operating Officer	Maria Schmidt	January 15, 2025	[Signed]
Chief Executive Officer	Dr. Hans Weber	January 15, 2025	[Signed]

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