MASTER SERVICES AGREEMENT

between

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, AS REPRESENTED BY THE MINISTER OF TECHNOLOGY, INNOVATION AND CITIZENS' SERVICES

and

MAXIMUS CANADA SERVICES, INC.

as of January 1, 2017

MASTER SERVICES AGREEMENT

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Schedule 20	Corporate Chart
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Schedule 25	Province Shared Infrastructure
Schedule 26	SP Technology Capabilities

THIS MASTER SERVICES AGREEMENT (the "**Agreement**") is entered into as of January 1, 2017 (the "**Effective Date**") between MAXIMUS Canada Services, Inc. **(**the "**Service Provider**"), a company incorporated under the laws of Prince Edward Island, and Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Technology, Innovation and Citizens' Services (the "**Province**").

RECITALS

A. In May 2016, the Province conducted a competitive procurement process (the "**NRFP**") for the purpose of obtaining a Solution that streamlines the provision of information, advice and referrals to individuals and businesses accessing government services in British Columbia and provides them with self-service and assisted transactions to facilitate the exchange of goods, services or specialized information with government.

B. As a result of the NRFP process, the Province selected the Service Provider to provide the Services.

C. As contemplated by the NRFP, the Province and the Service Provider intend to establish a collaborative business relationship in connection with the provision of the Services based on certain mutually developed guiding principles and a common shared vision for the Services, with a focus on the strategic outcomes of the Services.

D. The Province and the Service Provider now wish to enter into this Master Services Agreement (the "**Agreement**"), on the following terms and conditions.

IN CONSIDERATION of the foregoing and the mutual covenants and agreements contained in this Agreement, the Parties covenant and agree as follows:

ARTICLE 1 – INTERPRETATION

1.1 Definitions.

Unless otherwise provided in this Agreement, capitalized terms in this Agreement and in the Recitals will have the meanings given to those terms in the attached **Schedule 1** (*Definitions*).

1.2 Recitals.

The recitals to this Agreement are intended to be a general introduction to this Agreement and are not intended to expand the scope of the Parties' obligations under this Agreement or to alter the plain meaning of the terms and conditions of this Agreement.

1.3 Headings.

The division of this Agreement into Articles, Sections, Subsections, paragraphs and clauses, and the insertion of headings, are for convenience of reference only and will not affect the construction or interpretation of this Agreement.

1.4 Interpretation.

In this Agreement, unless expressly stated to the contrary:

(a) the terms "this Agreement", "the Agreement", "hereof", "hereunder", "hereto" and similar expressions refer, unless otherwise specified, to this Agreement taken as a whole and not to any particular Article, Section, Subsection, paragraph, clause or other portion of this Agreement;

(b) words importing the singular number only will include the plural, and *vice versa*, and words importing gender will include all genders;

(c) unless something in the subject matter or context is inconsistent therewith, all references in this Agreement to Articles, Sections, Subsections, paragraphs, clauses and Schedules (including Attachments to Schedules) refer to Articles, Sections, Subsections, paragraphs, clauses and Schedules (including Attachments to Schedules) of this Agreement;

(d) unless set out otherwise or the context otherwise requires, a reference to a Schedule includes all Attachments thereto;

(e) unless set out otherwise or the context otherwise requires, a reference to an Article or Section number in main body of this Agreement or **Schedule 1** (*Definitions*) refers to the main body of this Agreement and a reference to a Section number in another Schedule or Attachment to a Schedule refers to a Section in such Schedule or Attachment;

(f) words and phrases denoting inclusiveness (such as "including" or "includes"), whether or not stated as being without limitation, are not limited by their context or the words or phrases which precede or succeed them;

(g) unless otherwise provided in this Agreement, whenever the words "discretion", "option", "determine", "election" and other similar words or any variations thereof are used with respect to a Party, they will be deemed to mean such Party's sole and absolute discretion, option, determination, election or other such similar act;

(h) any reference to a statute will be deemed to refer to the statute of the Province of British Columbia (unless otherwise specified) and any regulations made thereunder in force as at the date hereof, as the same may be subsequently amended, expanded, added-to, supplemented or otherwise changed or replaced from time to time, unless otherwise expressly provided in this Agreement;

(i) unless specifically provided otherwise in this Agreement, any reference to "knowledge" of the Service Provider or any officer or other personnel of the Service Provider means the knowledge of the Service Provider after having made reasonable enquiry, and if the Service Provider fails to make such reasonable enquiry, then the knowledge that the Service Provider would have had if the Service Provider had conducted reasonable enquiry into the subject matter;

(j) where the Termination Assistance Period continues after the Term, references in this Agreement to the Term will be interpreted as follows: (i) where there is a reference to an obligation of the Service Provider to provide Services, grant rights to the Province or otherwise perform obligations during the Term, that reference includes an obligation of

the Service Provider to provide such Services, grant such rights or otherwise perform such obligations during the Termination Assistance Period, unless otherwise expressly stated; and (ii) where there is a reference to a right to which the Province is entitled during the Term, that reference includes an entitlement of the Province to enforce such right during the Termination Assistance Period, unless otherwise expressly stated; and

(k) the specific provisions of this Agreement are to be interpreted according to their plain meaning, provided that where there is uncertainty concerning the meaning of any specific provision, then such provision is to be interpreted in a manner that best achieves the Shared Vision, Guiding Principles and Objectives in accordance with Article 2 (*Shared Vision, Guiding Principles and Objectives*).

1.5 Acting Reasonably and Approvals.

With respect to the Service Provider, any requirement set forth in this Agreement for the Service Provider to act reasonably, use reasonable efforts, or any variations thereof, will mean the use of all reasonable commercial efforts having regard to the surrounding circumstances, unless specifically provided otherwise. With respect to the Province, nothing in this Agreement, including the Shared Vision, Guiding Principles, Objectives or any requirement set forth in this Agreement for the Province to use reasonable or best efforts, act reasonably or in good faith, not unreasonably withhold consent or approval, or any variations thereof (including, without limitation, any requirement for Approvals by the Province not to be unreasonably withheld), will require the Province to act in a manner that is contrary to, or is inconsistent with, any other policies, directives, executive directions, Treasury Board decisions, guidelines, rules, regulations, legislation or other determinations of the Province or otherwise fetters the exercise by the Province or its agencies of any statutory, prerogative, executive or legislative power or duty. Further, nothing in this Agreement operates as a permit, licence, approval or other statutory authority which the Service Provider may be required to obtain from the Province or its agencies in order to provide the Services.

1.6 Accounting Policy.

In this Agreement all references to "**GAAP**" refer, unless otherwise specified, to generally accepted accounting principles from time to time approved by the Canadian Professional Accountants of Canada (or any applicable successor institute thereto) as at the date on which such calculation is made or required to be made, consistently applied. Unless otherwise provided in this Agreement, all accounting, record keeping, book keeping and other actions of the Service Provider contemplated in this Agreement will be performed and carried out in a manner that is consistent with GAAP.

1.7 Calculation of Time Periods.

Unless otherwise specified in this Agreement, when calculating the period of time within or following which any act is to be done or any step taken, the date that is the reference date for starting the calculation of such period will be excluded and the final date for completing such act or step will be included.

1.8 Currency References.

Unless otherwise specified, all dollar references in this Agreement are deemed to refer to lawful money of Canada.

1.9 Time.

Time will be of the essence of this Agreement unless otherwise set out for the particular time, date or period.

1.10 Schedules.

The following are the Schedules to the main body of this Agreement, which are incorporated into this Agreement by reference and are deemed to be an integral part of this Agreement:

Schedule 1	-	Definitions
Schedule 2	-	Initial Transition Plan and Baseline Requirements
Schedule 3	-	Transition Methodology, Terms and Remedies
Schedule 4	-	Work-in-Progress Projects
Schedule 5	-	Services
Schedule 6	-	Language of Services
Schedule 7	-	Service Locations
Schedule 8	-	Employee Transfer Terms
Schedule 9	-	Performance Management Framework
Schedule 10	-	Non-Disclosure Agreement
Schedule 11	-	Conditions of Use of Province Marks and Other Communications
Schedule 12	-	Governance
Schedule 13	-	Key Positions
Schedule 14	-	Subcontractor
Schedule 15	-	Reporting Requirements
Schedule 16	-	Records Protocols
Schedule 17	-	Fees and Economic Model
Schedule 18	-	Privacy Schedule
Schedule 19	-	Security Schedule
Schedule 20	-	Corporate Chart
Schedule 21	-	Business Continuity
Schedule 22	-	Performance Guarantee
Schedule 23	-	Corporate Guarantee
Schedule 24	-	Insurance
Schedule 25	-	Province Shared Infrastructure
Schedule 26	-	SP Technology Capabilities

1.11 Document Conflicts.

The main body of this Agreement, the Schedules attached to the main body of this Agreement and any appendices, exhibits or other documents attached to the Schedules are to be interpreted so that all of the provisions are given as full effect as possible. In the event of a conflict among the foregoing, and unless expressly stated to the contrary, the order of precedence will be as follows:

(a) first, the main body of this Agreement;

(b) second, any Schedules to the main body of this Agreement, provided that **Schedule 1** (*Definitions*), **Schedule 5** (*Services*), **Schedule 9** (*Performance Management Framework*), Schedule 14 (*Subcontractors*), **Schedule 19** (*Security Schedule*), **Schedule 17** (*Fees and Economic Model*) and **Schedule 18** (*Privacy Schedule*) shall take precedence over the other Schedules to this Agreement; and

(c) third, any appendices, exhibits or other documents attached to the Schedules.

1.12 Joint Drafting.

The Parties acknowledge and agree that they have equally participated in the drafting of this Agreement. Accordingly, it is the intention of the Parties that the principle of *contra proferentem* will not apply with respect to interpretation matters in respect of this Agreement.

ARTICLE 2 – SHARED VISION, GUIDING PRINCIPLES AND OBJECTIVES

2.1 Shared Vision.

The Parties enter into this Agreement with the following common shared vision of the Parties' business relationship in respect of the Services and how the Parties desire to focus their attention in respect thereof ("**Shared Vision**"):

> In a transparent and collaborative partnership, the Province and the Service Provider meet the evolving service needs of Citizens by delivering an authentic and responsive experience guided by the Citizen.

The Shared Vision is intended to align and focus the Parties on a common vision for delivery of the Services under this Agreement.

2.2 Guiding Principles.

The Parties acknowledge that the Shared Vision is achievable only through continuing cooperation, transparency, mutual trust and commitment. In order to achieve the Shared Vision and foster good relations, the Parties acknowledge and agree that the exercise of their rights and performance of their obligations under this Agreement, including any in respect of an governance proceedings and other interactions relating to the contractual relationship, will be undertaken in a cooperative and collaborative manner, having reference to the following guiding principles (the "**Guiding Principles**"):

(a) *Reciprocity* – The Parties commit to taking into account the goal of a mutually beneficial relationship. A Party will not make any demands upon the other Party that the first Party is not willing to return in kind by ensuring equitable exchanges over the course of the relationship.

(b) *Autonomy* – The Parties commit to make decisions together as equals with integrity while considering both Parties' interests. When interests do not align, the Parties commit to find common ground with a shared focus on outcomes for Citizens, the Province and the Service Provider.

(c) *Honesty* – The Parties commit to building and maintaining a relationship of trust by openly sharing the Parties' respective interests in a timely and transparent manner in order to build a common understanding of fact.

(d) *Loyalty* – The Parties commit to collaborating with each other to support the partnership through good times and bad. To support building loyalty and aligning interests, the Parties will:

(i) understand each other's perspective;

(ii) assume the best of each other; and

(iii) respectively accommodate the other Party's interests, where appropriate.

(e) *Equity* – The Parties understand that the deal must be equitable over the long term. The Parties commit to working together to ensure that the risks and benefits are appropriately shared and understood. The Parties acknowledge that "equitable" does not necessarily mean "equal".

(f) *Integrity* – The Parties commit to acting with integrity by being principled, authentic and reliable. The Parties will consistently do what they say and say what they do.

The Guiding Principles set out the desired behaviours and expectations of how the Parties will treat one another during the Term in pursuit of the Shared Vision and achievement of the Objectives. They are intended to set the tone for a collaborative business relationship rather than a traditional competitive relationship characterized by conflicting, negative or non-productive social norms, often leading to a deterioration in trust between the Parties and the creation of a dysfunctional working relationship. The Parties endeavour to abide by the Guiding Principles in all dealings with each other with respect to this Agreement during the Term.

2.3 Objectives of the Parties.

The Parties acknowledge and agree that the primary objectives and desired outcomes of their contractual relationship under this Agreement (collectively, the "**Objectives**") are as follows:

(a) for the Service Provider to provide the Solution to deliver the current state and future state Services in a manner that realizes the Parties' objectives, which include:

(i) the development of a "one-stop" service model to make it simple and secure for Citizens to access government services;

(ii) migration of Citizens to self-service delivery methods and transition of in-person services away from transactional services to more complex queries and service offerings;

(iii) leveraging new technology and services to optimize the experience for Citizens accessing or using the Services while balancing increasing demands for data with privacy and security concerns;

(iv) where possible, diversion of requests from Citizens accessing or using the Services to less resource-intensive, lower cost channels; and

(v) establishment of service standards that support quality of service delivery and consistent service experience by Citizens;

(b) to identify strategic transformation opportunities that will address business challenges and operational risks associated with contact centre services and that align with the Shared Vision and the goals for accessible, effective and responsive services to Citizens, and transform the current service delivery structure to meet the future needs of Citizens, including a single point of interaction with government;

(c) to work in collaboration with the Service Provider to increase service features, maximize use of staff resources and expertise, and achieve economies of scale from the sharing, consolidation and better use of resources. This requires balancing the most efficient and cost effective means to deliver the end-to-end Solution while maintaining high Citizen satisfaction levels;

(d) to achieve the objectives within the financial parameters agreed to by the Province and the Service Provider including a scalable pricing model that supports the Shared Vision;

(e) to establish and maintain a fair economic business arrangement for the Parties during the Term;

(f) to develop a long term and mutually beneficial business relationship that fosters innovation, improved services and cost efficiencies in a mutually beneficial manner and that is characterized by, among other things, trust and transparency, mutual cooperation, good faith and flexibility;

(g) to allow the Parties to meet or exceed existing service levels and expectations for the delivery of the Services to Citizens commencing on the Hand-Over Date and, where possible, to continually seek improvement in the delivery of all aspects of the Services, with the objective of achieving the Strategic Outcomes;

(h) to enable the Service Provider to perform the Services at a high level of service, efficiency and effectiveness (and to avoid the operational management of the Services by the Province), with the objective of achieving the Strategic Outcomes;

(i) to develop sufficient business processes to accommodate volume fluctuations inherent in the nature of the Services being delivered;

(j) to have the Service Provider act as a source of "best practices" by providing the Province with information indicating industry-wide improvements in delivery of services similar to the Services;

(k) to protect the security and privacy of information of Citizens, employees and others and to ensure that there are no circumstances pursuant to which any such information could be or is disclosed contrary to the terms of this Agreement or Applicable Laws; and

(l) to provide for the transition of the Services to the Province or an Alternative Service Provider upon the Termination of this Agreement in a manner that is efficient, enables continued and uninterrupted delivery of such Services during each such transition, and minimizes any adverse impact on the businesses of the Province in connection therewith.

2.4 Effect and Application of the Shared Vision, Guiding Principles and Objectives.

The Parties acknowledge and agree that the Shared Vision, Guiding Principles and Objectives are not intended to create legal obligations or duties for the Province or the Service Provider, but instead, are intended to document the mutual vision, guiding principles and primary objectives for the Agreement as established by the Parties and to inform and guide the contractual relationship and interactions of the Parties, as described in Sections 2.1 (*Shared Vision*), 2.2 (*Guiding Principles*) and 2.3 (*Objectives of the Parties*). The Shared Vision and each of the Guiding Principles and Objectives is a statement of the mutual aspirations of the Parties with respect to the general approach to the specific duties and obligations

otherwise set out in this Agreement and, in contrast, does not constitute a statement of unilateral obligation or duty giving rise to any specific rights or remedies to any Party in the case of a perceived breach thereof. The specific provisions of this Agreement are to be interpreted according to their plain meaning, provided that where there is uncertainty concerning the meaning of any specific provision, then such provision is to be interpreted in in a manner that best achieves the Shared Vision, Guiding Principles and Objectives.

ARTICLE 3 – SCOPE, EXPANSION OF SERVICES AND ONBOARDING

3.1 General Scope.

The scope of the Services for the Term of this Agreement is as follows:

(a) the Services described as being in-scope for this Agreement, in the provisions of this Agreement (including the Services described herein to support the Shared Vision) as such Services may be expanded to additional Province Ministries in accordance with Section 3.2 (*Expansion of Services to Province Ministries*); and

(b) in support of the Shared Vision, the potential scope of the services contemplated in the NRFP including, without limitation, any potential scope, future scope or other similarly described scope set out in the NRFP, subject to the implementation of such services at the discretion of the Province through the Change Order Process, by a written instrument Approved by the Province and the Service Provider, or as may otherwise be specifically provided for under the terms of this Agreement.

For clarity, the Services described paragraph (a) above, includes current state, certain refined state and certain future state Services described in **Schedule 5** (*Services*). The reference to such potential scope in this Section or elsewhere in this Agreement does not, in and of itself, give the Service Provider any automatic or implied right to negotiate, discuss, or incorporate any additional services under this Agreement within such potential scope, and such negotiations, discussions or incorporation will be at the sole discretion of the Province. The full scope of the Services set out above are available, in whole or in part, to Broader Public Sector Entities onboarded in accordance with Section 3.3 (*Onboarding*).

3.2 Expansion of Services to Province Ministries.

The Services are available to all Province Ministries, but initially, as of and prior to the Hand-Over Date, only the Ministry will be receiving Services. If requested by the Province in accordance with **Schedule 5** (*Services*), the Service Provider will expand the provision of the Services, in whole or in part, to any other Province Ministry designated by the Province in accordance with **Schedule 5** (*Services*). If, in relation to any such expansion of the provision of Services to a Province Ministry, the employment of any employees of the Province will be transferred to the Service Provider, such transfer will be effected upon terms and conditions mutually agreed by the Parties pursuant to the Change Order Process provided, however, that such terms and conditions must comply with the terms and conditions of **Schedule 8** (*Employee Transfer Terms*).

3.3 Onboarding.

The Province will provide the Service Provider with a list, to be amended from time to time by the Province in its sole discretion, of the Broader Public Sector Entities who may enter into an agreement directly with the Service Provider. The Service Provider will agree to offer the Services to any such Broader Public Sector Entity that is interested in obtaining such Services on terms and conditions the

same as, or substantially similar to, those set out in this Agreement. The Service Provider acknowledges that:

(a) any Services provided to any Broader Public Sector Entity will be by means of a separate agreement to be entered into by the Service Provider and the applicable Broader Public Sector Entity; and

(b) the Province reserves the right to explore, throughout the Term, other methods of onboarding Broader Public Sector Entities.

ARTICLE 4 – AGREEMENT TERM AND EXTENSION

4.1 Initial Term of the Agreement.

The "**Initial Term**" of this Agreement commences on the Effective Date and ends on the fifth anniversary of that date unless earlier terminated in accordance with the provisions of this Agreement or extended in accordance with Section 4.2 (*Extensions*).

4.2 Extensions.

The Province may, in its sole discretion, extend the Term of this Agreement for two additional periods of one year each (each an "**Extension**") by providing the Service Provider with written notice at least 180 days prior to the expiry of the Initial Term or the then current Extension, as the case may be.

4.3 No Extension Assurances.

The Province is giving no assurances whatsoever to the Service Provider, expressed or implied, that this Agreement will be extended beyond the expiry of the Initial Term. The Service Provider specifically acknowledges and affirms that it has arranged its business affairs accordingly.

4.4 No Expropriation.

Any Termination of this Agreement, either at the expiry of the Initial Term or as otherwise provided in this Agreement, will not constitute an expropriation by the Province or be tantamount to an expropriation by the Province at domestic or international law (including, but not limited to the *North American Free Trade Agreement*), and will not constitute grounds for asserting any Claim whatsoever under any domestic law, international agreement, or domestic law implementing an international agreement (including, but not limited to, Chapter Eleven of the *North American Free Trade Agreement* and the *General Agreement on Trade in Services*).

4.5 Termination Assistance.

In connection with the expiry of this Agreement, or earlier termination thereof, the Service Provider will provide the Termination Services to the Province in accordance with Article 29 (*Termination Services*).

ARTICLE 5 – INITIAL TRANSITION

5.1 Hand-Over of Services.

Subject to the provisions of this Article 5 (*Initial Transition*), the Parties will transfer responsibility and accountability for the provision of the Services to the Service Provider (the "**Initial Transition**"), with effect on the Hand-Over Date. In connection therewith, the Service Provider will commence the delivery of the Services on the Hand-Over Date, other than those Services that are expressed in this Agreement as being Services that are to be commenced by the Service Provider on some date other than the Hand-Over Date (such as the Initial Transition Services and the Termination Services).

5.2 Initial Transition Services.

For purposes of completing the Initial Transition, and from and after the execution of this Agreement, the Service Provider will provide the following services to the Province (collectively, the "**Initial Transition Services**"):

(a) such services as are necessary to complete the Initial Transition by the Hand-Over Date and in a manner that will, to the greatest extent possible, ensure the continued, uninterrupted and efficient delivery of the Services throughout the transition, and that will minimize any disruption to the business operations of the Province, including working in cooperation with any Other Service Provider that provides to the Province any services that will be replaced by the Services in any manner;

(b) the complete and timely performance by the Service Provider of all matters required to be performed by or on behalf of the Service Provider, or for which the Service Provider is otherwise responsible, in accordance with the Initial Transition Plan;

(c) all services and obligations of the Service Provider set out in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*); and

(d) the Service Provider will be responsible for the overall management and implementation of the Initial Transition, including coordinating, planning and implementing the Initial Transition in accordance with the Initial Transition Plan and this Agreement.

5.3 Modifications to Initial Transition Plan.

Notwithstanding the level of detail contained in the Initial Transition Plan as of the Effective Date, the Parties acknowledge that the Initial Transition Plan may require modifications after the execution of this Agreement. Other than modifications to the Initial Transition Key Requirements, the Service Provider may modify the Initial Transition Plan without the Approval of the Province, provided, however, that the Service Provider notifies the Province of the modification in advance through the Governance Process and promptly delivers the modified Initial Transition Plan to the Province after any such modification is made. Any modifications to any of the following in the Initial Transition Plan (the "**Initial Transition Key Requirements**") will require the joint Approval of the Parties through the Governance Process and, as applicable, through the Change Order Process:

(a) the Hand-Over Date;

(b) any aspect of the Initial Transition Plan that if modified would result in non-compliance with the terms or requirements of **Schedule 2** (*Initial Transition Plan and Baseline Requirements*), excluding Attachment A (*High Level Initial Transition Plan*) to such Schedule;

(c) any components of the Initial Transition Plan that have been Approved by the Province in accordance with **Schedule 2** (*Initial Transition Plan and Baseline Requirements*), including the Transition Success Report – Initial Transition; and

(d) the scope of the Services to be provided by the Service Provider as of the Hand-Over Date.

5.4 Completion of Initial Transition.

(a) Subject to Sections 5.7 (*Failure to Complete Initial Transition*) and 5.8 *(Effect of Termination Prior to Hand-Over Date*), the transfer of the provision and performance of the Services to the Service Provider will be subject to the completion of the Initial Transition in accordance with **Schedule 2** (*Initial Transition Plan and Baseline Requirements*) before the Hand-Over Date.

(b) The Service Provider and the Province, through the Governance Process, may jointly waive any component of the Initial Transition that must be completed before the Hand-Over Date or defer the completion of such component to the Stabilization Period that follows the Initial Transition or to another period after the Hand-Over Date Approved by both Parties.

(c) The Service Provider will document all such deferred components of the Initial Transition (if any) in the Transition Deficiency Log for the Initial Transition (and if applicable, a Performance Action Plan) prepared and delivered in accordance with **Schedule 2** (*Initial Transition Plan and Baseline Requirements*) and will complete such components, in accordance with such Transition Deficiency Log, within the Stabilization Period that follows the Initial Transition or any such other period Approved by both Parties.

(d) Any potential delays or circumstances that may adversely affect the Initial Transition will be escalated in accordance with the Governance Process and, if applicable, implemented through the Change Order Process.

5.5 Initial Transition Costs.

Other than the payment of the applicable Fees expressly set forth in Article 16 (*Fees and Payment Terms*) which are the responsibility of the Province, the Service Provider is responsible for all of the costs incurred by the Service Provider (or its Subcontractors) for completing the Initial Transition in accordance with the Initial Transition Plan, including all direct and indirect costs incurred by the Service Provider (or its Subcontractors) in connection with the implementation of the Initial Transition Plan, and the overall management of the Initial Transition.

5.6 Work-in-Progress Projects.

To the extent that there are Work-in-Progress Projects existing as of the date of this Agreement in respect of which there may be work that will not be completed by the Hand-Over Date, which will constitute work-in-progress as of such date (as more particularly described in **Schedule 4** (*Work-in-Progress Projects*)), the Parties will handle the Work-in-Progress Projects in accordance with the following principles:

(a) the Province will have financial and operational responsibility for the Work-in-Progress Projects prior to the Hand-Over Date; and

(b) from and after the Hand-Over Date, the Service Provider will assume operational responsibility for the Work-in-Progress Projects that have not been completed by the Hand-Over Date, which will be paid for as part of the Base Fees in accordance with the provisions of **Schedule 17** *(Fees and Economic Model)*.

5.7 Failure to Complete Initial Transition.

If the Initial Transition is not completed in accordance with **Schedule 2** (*Initial Transition Plan and Baseline Requirements*) by the Hand-Over Date, the following provisions will apply:

(a) If the Parties are unable to agree upon which Party caused the delay through the Governance Process, then the matter of fault for purposes of determining whether the delay was caused by one Party or the other, will be deemed to be a Dispute and will be determined in accordance with the Dispute Resolution Process under Section 27.3 (*Expedited Dispute*). For greater clarification, without limiting Section 6.14 (*Failure of Province to Perform Responsibilities*), no Party will be deemed to have failed to perform its obligations with respect to the Initial Transition (which in the case of the Province, are identified as Province Dependencies) where such performance is dependent upon the performance by the other Party of that other Party's obligations, in circumstances where that other Party has failed to so perform.

(b) If the Initial Transition is not completed in accordance with **Schedule 2** (*Initial Transition Plan and Baseline Requirements*) by the Hand-Over Date due to a delay caused by the Service Provider, the Province will, without limiting its other remedies under this Agreement (including under Section 28.2 (*Remedies of the Province for Material Breach by the Service Provider*) and **Schedule 2** (*Initial Transition Plan and Baseline Requirements*) or at law or in equity, be entitled to exercise any or all of the following remedies:

(i) postpone the Hand-Over Date to such date as the Province may select by giving written notice to the Service Provider of such postponed Hand-Over Date in which event the Service Provider shall use all commercially reasonable efforts to complete the Initial Transition on or before such postponed Hand-Over Date;

(ii) provide Operations Go Live Approval with respect to a portion of the Base Services, in which case:

(A) the Service Provider will commence providing such portion of the Base Services on the Operations Go Live Date;

(B) the Service Provider will use all commercially reasonable efforts to satisfy all mutually agreed conditions under which the Operations Go Live Approval was provided; and

(C) the Change Order Process will be used to determine an equitable proration of the Base Fees for the partial performance of the Base Services and any other changes to the Agreement described in Subsection 5.7(b)(iv);

(iii) escalate the delay in accordance with the Governance Process;

(iv) initiate the Change Order Process to determine and implement any changes to this Agreement that are required by the Province as a result of such delay (including changes to dates in this Agreement) and to minimize the adverse impacts of the delay on the Province (taking into account any Losses the Province has suffered or will suffer as a result of such delay).

(c) The Province may be entitled to Milestone Credits under Section 10 of **Schedule 2** (*Initial Transition Plan and Baseline Requirements*).

(d) If the Initial Transition is not completed in accordance with **Schedule 2** (*Initial Transition Plan and Baseline Requirements*) by the Hand-Over Date due to a delay caused by the Province failing to perform an applicable Province Dependency on or before the applicable Province Dependency Target Date, then the process in Section 6.14 (*Failure of Province to Perform Responsibilities*) will apply.

(e) For clarity, subject to Section 5.7(b)(ii), no Monthly Base Fees will be payable by the Province until the Initial Transition is completed and the Service Provider begins providing the Base Services in accordance with this Agreement.

5.8 Effect of Termination Prior to Hand-Over Date.

If this Agreement is terminated prior to the Hand-Over Date, then the following provisions will apply:

(a) the obligations of the Parties to continue to pursue the transactions and the contractual relationship contemplated in this Agreement will immediately terminate and cease to be of any further force or effect;

(b) this Agreement will terminate and cease to be of further force or effect subject to survival of those provisions specified in Section 33.11 (*Survival*) of this Agreement;

(c) each of the Guarantees, if executed and delivered, will terminate and cease to be of any further force or effect subject to survival of any provisions contemplated therein or herein to survive termination of the Guarantees; and

(d) the Service Provider will, forthwith after the Termination Date or the expiry of the Termination Assistance Period, whichever is the later, return to the Province (or at the direction of the Province destroy) all of the Province Confidential Information, Province Data and Province Records provided to the Service Provider prior to the Termination Date (including prior to the execution of this Agreement) and other Province Materials (including the Knowledge Base), and will not retain and will destroy all copies thereof which the Service Provider (or any Subcontractor, agent, consultant or Person working for or hired by or on behalf of the Service Provider in connection with this Agreement and the transactions contemplated herein and therein) may have made or caused to be made.

ARTICLE 6 – SERVICES

6.1 Overview of Services.

The Service Provider will provide to the Province, and the Province will obtain from the Service Provider, the following services from and after the Hand-Over Date (or from and after such other date as indicated below), upon the terms and conditions set forth in this Agreement (collectively, the "**Services**"):

(a) the Initial Transition Services, as more particularly described in Article 5 (*Initial Transition*), from and after the Effective Date;

(b) the Base Services and other services described as such in **Schedule 5** (*Services*), provided, however, that the provision of the Contact Centre Services will not commence until the Operations Go Live Date;

(c) the Termination Services, as more particularly described, and within the times indicated, in Article 29 (*Termination Services*);

(d) such other services or additional services, including any services to complete a Transition and any resulting Transitioned Services, as may be agreed to by the Parties pursuant to the Change Order Process;

(e) all such other or additional services and obligations of the Service Provider set out or otherwise described in this Agreement, including the services, functions, responsibilities or tasks described in Section 6.3 (*Included or Inherent Services*); and

(f) the provision of (and financial responsibility for) all Deliverables and any other hardware, equipment, Software, systems, documentation, facilities, personnel and other resources used or required to be used in order to provide the foregoing services, whether or not such hardware, equipment, Software, systems, documentation, facilities, personnel and other resources are expressly described in this Agreement, including the SP Technology Platforms.

6.2 Non-exclusivity.

The Service Provider acknowledges and agrees that:

(a) the Services are provided on a non-exclusive basis;

(b) the Province may, at its sole discretion, develop internally or engage other service providers to provide one or more components of the Services or the Solution; and

(c) the Province is not obligated to use the Service Provider to provide any services that are the same or substantially similar to any in-scope or potential in-scope Services or to offer the Service Provider the right of first refusal in respect of such services.

For greater clarity, the Parties acknowledge and agree that this Section does not grant the Province a termination right with respect to any Services.

6.3 Included or Inherent Services.

The Parties acknowledge that there are services, functions, responsibilities or tasks not specifically listed or described in this Agreement that are inherent, necessary or customarily provided, or that are reasonably required for the proper performance and provision of the Services (taking into account the Shared Vision, Guiding Principles and Objectives), as the same may be improved, changed or transformed as contemplated under this Agreement. Without limiting the foregoing and subject to the provisions of this Section, such services, functions, responsibilities or tasks will be deemed to be implied or included in the scope of the Services to the same extent and in the same manner as if those functions or tasks had been specifically described in this Agreement, whether or not such services, functions, responsibilities or tasks

are expressly described in this Agreement. Notwithstanding the foregoing, this Section is not intended to expand the scope of the Services beyond the Services described in this Agreement, or to require a higher standard of Service delivery than that which is otherwise described in this Agreement.

Without limiting the general application of the Dispute Resolution Process to any Dispute, if a Dispute arises between the Parties with respect to this Section, the Dispute shall be handled in accordance with the Dispute Resolution Process.

6.4 Language of Services.

The Service Provider will provide all of the Services in English, and in such other languages and with such other special arrangements to accommodate Citizens and any other Persons accessing or using the Services with visual, hearing and other similar forms of special needs, as set forth in **Schedule 6** (*Language of Services*).

6.5 Standard of Care.

Unless specifically provided otherwise in this Agreement, the Service Provider will provide the Services under this Agreement using the standard of care of a reasonable service provider performing similar services in comparable circumstances.

6.6 Changes to Services.

All changes, modifications, amendments or supplements to the Services provided by the Service Provider to the Province under this Agreement will be undertaken in accordance with the Change Order Process and any other express provisions of this Agreement that contemplate changes to the Services.

6.7 Service Recommendations.

As part of the Continuous Improvement Services, the Service Provider will, from time to time in accordance with **Schedule 5** (*Services*):

(a) make recommendations to the Province, as appropriate, for operational improvements to the current state and future state Services (having regard to the Shared Vision and Guiding Principles) based on changes and trends in contact centre services and available new technologies where such improvements are being or could be implemented by the Service Provider generally without the Change Order Process being required to implement such changes; and

(b) make recommendations to the Province for substantive improvements to the Services based on changes and trends in the contact centre services field and available new technologies where such improvements would require implementation through the Change Order Process, and implement any of such recommendations Approved by the Province in accordance with the Change Order Process

Any such recommended improvements Approved by the Province will be implemented in accordance with **Schedule 5** (*Services*).

6.8 Quality Management.

In providing the Services to the Province during the Term, the Service Provider will:

(a) be responsible for implementing and carrying out continuous improvement and quality management for all of the Services;

(b) establish quality assurance programs that encompass continuous improvement of the Services in addition to an ongoing quality assessment of the Services, including as described in **Schedule 5** (*Services*); and

(c) maintain an ongoing focus on the satisfaction of the Province and Citizens by monitoring and evaluating trends that develop in the performance of the Services (as indicated through complaint processes or otherwise), and by making recommendations to the Province in respect thereof.

6.9 Documentation.

The Service Provider will, within six (6) months after the Hand-Over Date, deliver to the Province a detailed and comprehensive operational procedures manual in respect of the Services (the "**Manual**"), in a form and substance that is subject to the Province's prior consultation, and containing the matters referred to in Section 6.10 (*Manual Requirements.*). The Service Provider will periodically, but not less than quarterly unless otherwise agreed by the Province, update the Manual to reflect changes in the operations or procedures described in the Manual. The Service Provider will provide the Province with the updates of the Manual on a timely basis, and within the period required for such updates to be made, for consultation with the Province. For greater clarification, the Parties acknowledge that the Manual is intended to describe to the Province how the Services will be performed, and will in no event be interpreted so as to relieve the Service Provider of any of its performance obligations under this Agreement. The consultation with the Province under this Section 6.9 (*Documentation*) is not intended to, and will not be deemed to, shift the risk and responsibility for the business operations in performing the Services from the Service Provider to the Province, and the Parties acknowledge and agree that the responsibility and risk thereof will remain at all times with the Service Provider.

6.10 Manual Requirements.

The Manual will contain sufficient description of the Services and associated business processes to enable the Province or an Alternative Service Provider to perform the Services based on the information contained in the Manual. Without limiting the generality of the foregoing, the Manual will describe or include the following:

(a) the procedures associated with the business processes and technology support services that the Service Provider will undertake in order to provide the Services;

(b) the methods of operation and procedures the Service Provider will use to perform the Services, such as network topologies, technical architecture standards and guidelines, security administration, system configurations, contact centre processes, human resource functions, business processes and associated documentation that provides further details of such activities, as applicable (including, for example, user support manuals, job scheduling procedures, specifications and updates of such materials); and

(c) current documentation with respect to the Systems, business processes, and processes in support of the operations and procedures used to deliver the Services (which documentation will be sufficient to enable the Province, its personnel, or another service provider that is reasonably skilled in the provision of services similar to the Services, to

fully assume the provision of the Services), and the Manual will detail how such documentation will be maintained.

6.11 Knowledge Transfer.

The Service Provider acknowledges that the Province needs to retain an appropriate level of understanding regarding the manner in which the Services are delivered throughout the Term. As part of the Services, the Service Provider will provide the Province with ongoing knowledge transfer with respect to the Services in the manner Approved by the Province through the Governance Process or as otherwise requested by the Province from time to time. The Service Provider will provide such knowledge transfer to the Province at the level of information and detail as may be required by the Province to ensure that the Province is a well-informed customer regarding the manner in which the Services are delivered. At the request of the Province, the Service Provider will provide any new Province staff (who have duties related to the Services or the Service Provider) with an orientation and training regarding the manner in which the Services (or such portion of the Services as may be applicable under the circumstances) are delivered by the Service Provider, and at such mutually scheduled times as may be reasonably agreed to by the Parties through the Governance Process. The Service Provider will also provide the Province and its staff with information and general training sessions regarding any significant process or Systems changes that may occur in respect of the Services throughout the Term.

6.12 Strategic Plan.

No later than June 30th of each Contract Year commencing in Contract Year 2, in collaboration with the Province, the Service Provider will prepare and deliver a strategic plan (the "**Strategic Plan**") to the Province. The Strategic Plan will be comprised of a rolling five-year, forward looking strategy that will identify Province goals and objectives to meet the Province's technology vision. The Strategic Plan will be developed in consultation with the Province through workshops, interviews and direction set by the Executive Leadership.

The Strategic Plan will, in alignment with the Shared Vision, Guiding Principles and Objectives, include:

(a) a restatement of the Shared Vision and Guiding Principles;

(b) the strategic direction for the Services;

(c) a support strategy for Province Ministries;

(d) a technology strategy for the Services and Solution;

(e) a business strategy for the Services;

(f) a Services Roadmap;

(g) the Agreement Risk Register; and

(h) details of any upcoming or in-progress projects and initiatives relating to the Services or this Agreement.

6.13 Province Retained Responsibilities.

During the Term (and without limiting any other provisions of this Agreement regarding the responsibilities of the Province), the Province will remain responsible for and will retain control of the following:

(a) setting all Province Policies and guidelines including, without limitation, those relating to the Services, records management, branding of the Services and privacy and security;

(b) all media relations and overarching brand management for the Services, including the Approval by the Province of the Service Provider media communications in accordance with Article 11 (*Branding and Communications*);

(c) the exercise of powers for and on behalf of Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Technology, Innovation and Citizens' Services; and

(d) such other direct responsibilities as may be expressly contemplated in this Agreement.

The Parties acknowledge that these responsibilities are vested solely in the Province. The Service Provider has no right or obligation to exercise any responsibilities of the Province set forth in this Section and is not accountable for actions taken by the Province in respect of the same. For greater clarification, where the Province exercises its responsibilities under this Section 6.13 (*Province Retained Responsibilities*) and such exercise adversely affects the Service Provider, then such implications will be addressed through the Governance Process.

6.14 Failure of Province to Perform Responsibilities.

In the event of (I) a failure by the Province to perform its obligations under this Agreement (other than a failure to make payments in accordance with Section 28.3 (*Material Breach by Province*), or (II) a failure by the Province to provide services to the Service Provider as specifically provided in this Agreement, if any, to the extent that the Services are contingent upon the performance by the Province thereof, then the Service Provider will notify the Province through the Province Authorized Representative, as soon as possible, and in any event within five Business Days from the date the Service Provider discovers that such failure has occurred, providing details with respect to such failure (such as the specific obligation or co-operation sought, the individuals from whom it was sought, and the date such request was made). In the event the Province fails to perform its obligations under the Agreement (other than a failure to make payment in accordance with Section 28.3 (*Material Breach by Province*)) and the Service Provider's performance of the Services is contingent upon the Province's performance of its obligations then, in addition to the other provisions of this Section 6.14, the following process will apply:

(a) the Service Provider and the Province, through the Governance Process, will promptly meet in order to discuss and resolve, if possible, the failure;

(b) unless the Province contests the Service Provider's assertion that such failure has occurred, the Province will address such failure or provide a "workaround" to address the failure, as applicable under the circumstances;

(c) if such failure of the Province has a material impact on the delivery and performance of the Services or on the cost of providing the Services, then effective as of the date that the notice of the failure is delivered to the Province in accordance with paragraph (a) above,

the Service Provider and the Province will adjust the Fees, time frames for performance, Service Levels or Services, as applicable and to the extent affected, either on a temporary basis or a long term basis, in accordance with the Change Order Process;

(d) if the Service Provider does not so notify the Province of the failure as set forth in this Section, then such failure on the part of the Province will not excuse, or be used as a defence for, the Service Provider's failure to perform its obligations under this Agreement;

(e) for greater clarification, the Parties acknowledge that the Service Provider has the right to elect not to immediately deliver notice to the Province under paragraph (a) above for Minor Province Failures, with such election in no way restricting the Service Provider from subsequently delivering a notice under paragraph (a) above that is in respect of all such Minor Province Failures (to the extent that they continue to impact delivery of the Services), all of such failures thereafter being deemed, for the purposes of this Section, to be a single failure by the Province to perform in accordance with its obligations under this Agreement;

(f) any failure of the Province Shared Infrastructure will not be governed by this Section but will instead be governed by the provisions set forth in Article 21 (*Province Shared Infrastructure*); and

(g) except as specifically provided otherwise in this Agreement, the application of the foregoing provisions will constitute the sole remedy of the Service Provider in respect of such failure by the Province.

6.15 Restrictions on Shared Environment.

The Service Provider will ensure that all Systems and premises that are used to provide the Services are not in any manner shared or otherwise utilized to provide services to any other Person unless expressly Approved by the Province. With respect to any shared Systems or premises that are Approved by the Province, the Service Provider will ensure that all such Systems and premises are segregated and not accessible at any time by any Persons other than those expressly authorized by or in accordance with this Agreement, and that such Systems and premises are not used for any purposes except for those expressly Approved by the Province. Without limiting the generality of the foregoing, the Service Provider will at all times comply with the privacy, confidentiality and security obligations as set forth in **Schedule 18** (*Privacy Schedule*) and **Schedule 19** (*Security Schedule*) and as otherwise set forth in this Agreement. At no time and under no circumstances will any Personal Information or Province Confidential Information be shared or otherwise accessible by any shared System other than the Province Shared Infrastructure (to the extent applicable).

ARTICLE 7 – SERVICE AND DATA LOCATIONS

7.1 Overview of Service Locations.

No Services will be provided or performed by the Service Provider at any location other than the Service Locations, which Services Locations are within Canada, unless permitted under or pursuant to this Agreement. No Personal Information will be accessed, used, stored, transmitted or otherwise made available in any manner outside of Canada, and no Person outside of Canada will have access in any manner to the Personal Information, except as may be specifically permitted under the *Freedom of*

Information and Protection of Privacy Act (British Columbia) and Approved by the Province from time to time.

7.2 Service Locations.

The addresses at which any Personal Information will be accessed, used, stored, transmitted or otherwise made available by the Service Provider or its Subcontractors, or from where any Services will be performed (collectively, the "**Service Locations**"), are set forth in the attached **Schedule 7** (*Service Locations*). The Service Provider will not store any Personal Information databases except in those locations set forth in **Schedule 7** (*Service Locations*) without the Approval of the Province, and the Service Provider will ensure that its Subcontractors do not access, use, store, transmit or otherwise make available any Personal Information at any other locations unless the Service Provider provides the Province with prior written notice thereof, and provided that such locations are within British Columbia (or elsewhere in Canada as may be permitted under or pursuant to this Agreement). For greater clarification, nothing contained in this Section will permit or otherwise enable the Service Provider (or any of its Subcontractors) to perform the Services from a location outside of British Columbia unless permitted under or pursuant to this Agreement or otherwise Approved by the Province.

7.3 Relocation of the Service Provider Service Locations.

The Service Provider may relocate all or a part of the Services at any time upon prior written notice thereof to the Province, provided that:

(a) the Service Provider will not permit its Personnel or any External Personnel to work from home or engage in other similar remote telecommunicating activities, where the same involve the use of Personal Information, without the prior Approval of the Province through the Change Order Process; and

(b) the relocation of all or any portions of the Services will be subject to the Approval of the Province, which will not be unreasonably withheld (acknowledging that the Province will grant or withhold such Approval having regard to the interests of the Province).

7.4 Service Location Policies.

To the extent applicable, at all times while accessing any premises of the other Party (including the premises of any applicable subcontractors of that other Party) in connection with the Services being performed under this Agreement, or as may otherwise be contemplated under this Agreement, each Party will, and will cause their respective personnel, external personnel, subcontractors, representatives or other parties for whom they are responsible at law or under the terms of this Agreement to, comply with any standard workplace security, safety, operational and other similar policies and procedures applicable to visitors for such Party, as may be notified by each Party to the other from time to time. The foregoing will not in any way limit or otherwise prohibit the Province from exercising its rights under Article 22 (*Audit Rights*).

ARTICLE 8 – CHANGE PROCESS

8.1 Changes to Services.

The Parties acknowledge and agree that any and all changes to the Services will be addressed in a collaborative manner in accordance with the Change Order Process as set forth in this Article 8 (*Change Process*), with reference to the Guiding Principles, provided that such changes are within the scope of the

Services contemplated under this Agreement and support the achievement of the Shared Vision and Objectives.

8.2 Agreement Amendments/Change Order Process.

The Service Provider and the Province acknowledge that certain changes to the Agreement may be required or desirable. Such changes may include, without limitation, the following:

(a) the addition or removal of material Services;

(b) changes to a Service Level (including the addition or removal of Performance Measures or a change to a Performance Standard or Performance Goal) or other metrics or means used to measure Strategic Outcomes;

(c) a material change to the technology or Systems used in the performance of the Services;

(d) a permanent change that has a material impact on the delivery or cost of the Services;

(e) a change that has a material impact on the Privacy Obligations;

(f) a change in the locations from where the Services are primarily performed; and

(g) any other matter that the Service Provider and the Province may agree as properly being the subject of the Change Order Process.

8.3 Change Order Process - Change Request.

Either Party may initiate the change process described in Sections 8.3 (*Change Order Process – Change Request*) to 8.10 (*Record of Changes*) (collectively, the "**Change Order Process**") in connection with a change described in Section 8.2 (*Agreement Amendments – Change Order Process*) by submitting to the other party (by delivery to the applicable Operations and Expansion Management Team representative of the other Party in accordance with the Governance Process), a written notice signed by the initiating party, which notice will include all relevant information reasonably required for the Parties to fairly assess such requested change through and in accordance with the Governance Process (each, a "**Change Request**").

8.4 Change Order Process – Change Proposal.

(a) Following the delivery of a Change Request by either the Province or the Service Provider, as the case may be, to the other, the following will apply:

(i) at the next scheduled meeting of the Operations and Expansion Management Team or if requested by the Party initiating the Change Request at a special meeting of the Operations and Expansion Management Team held within five Business Days after delivery of the Change Request, the Operations and Expansion Management Team will meet to:

(A) clarify the Change Request;

(B) confirm the requirements of the Change Request including, without limitation, details regarding the time requirements to consider the

Change Request (it being acknowledged by the Province and the Service Provider that the time required may vary depending upon the nature and complexity of the proposed change); and

(C) except if the Change Request is in respect of a Mandatory Change, assess whether the Change Request merits development of a Proposal and a recommendation to Executive Leadership for approval to proceed with the development of a Proposal;

(ii) if the Operations and Expansion Management Team determines the Change Request should be referred to a higher Governance Level for the purposes sets out in paragraphs (a)(i)(A) to (C) above, then the Operations and Expansion Management Team may forward the Change Request to such higher Governance Level in accordance with the Governance Process, in which case the process set out in this Section 8.4 will commence again with the Change Request being handled under paragraph (a)(i) above by such higher Governance Level;

(iii) except where the Change Request is in respect of a Mandatory Change, the Operations and Expansion Management Team or any higher Governance Level to which the Change Request has been forwarded under paragraph (a)(ii) above, as the case may be, will:

(A) in consultation with other Governance Levels, complete its assessment of whether the Change Request merits development of a Proposal; and

(B) if such assessment determines the Change Request merits development of a Proposal, make a written request to Executive Leadership for approval to proceed with the development of the Proposal,

within 10 Business Days of the meeting held under paragraph (a)(i) above (or such longer or shorter period of time as agreed to by such Governance Level through the Governance Process, acting reasonably and having regard to the nature and complexity of the Change Request in question);

(iv) except where the Change Request is in respect of a Mandatory Change, the Executive Leadership will approve or reject the request for development of a Proposal with respect to the Change Request within 10 Business Days of the request being made to the Executive Leadership (or such longer or shorter period of time as agreed to by the Executive Leadership through the Governance Process, acting reasonably and having regard to the nature and complexity of the Change Request in question);

(v) if the Change Request is approved by the Executive Leadership to proceed or is in respect of a Mandatory Change, Service Provider will prepare, in consultation with the Province and in a manner consistent with the Shared Vision, Guiding Principles, Objectives and Economic Model, a proposal setting out the terms and conditions pursuant to which the proposed change described in the Change Request will be implemented (the "**Proposal**") within 10 Business Days (or such longer or shorter period of time as agreed to by the Executive Leadership through the Governance Process, acting reasonably and having regard to the nature and complexity of the Change Request in question), which Proposal will include: (I)

a privacy assessment of the collection, use, disclosure and retention of Personal Information; (II) a threat and risk assessment (in such form as may be required by the Province); (III) the rationale or supporting business case for the proposed change; and (IV) a description of the impact of the proposed change on the following (to the extent applicable having regard to the nature of the proposed change):

(A) the costs of implementation, for which the Service Provider will make available to the Province transparent costing information consistent with the level of detail in the Economic Model;

(B) the rights and obligations of the Service Provider or the Province under this Agreement with respect to, or as a result of, the proposed change;

(C) the Services;

(D) the Service Levels (including Performance Measures, Performance Standards and Performance Goals);

(E) any technology, Systems or operations of the Service Provider used in the delivery of the Services to the Province;

(F) any increase or decrease to the Fees payable under this Agreement;

(G) the Privacy Obligations; and

(H) any other relevant matter related to this Agreement that will be materially impacted (both positively and negatively);

(vi) each Party will assign appropriate personnel (which, without limitation, may include consultants and legal counsel) to perform its obligations under paragraph (a)(v) above (collectively, the "**Proposal Team**") and negotiate in good faith, in alignment with the Guiding Principles, and in accordance with the Economic Model, the terms and conditions pursuant to which the proposed change described in the Change Request will be implemented, as documented in the Proposal;

(vii) upon successful negotiation of the Proposal by the Proposal Team, the Proposal Team will submit the negotiated Proposal to the Applicable Governance Level for Approval;

(viii) the Applicable Governance Level will, within 10 Business Days (or such longer or shorter period of time as agreed to by such Applicable Governance Level through the Governance Process) of receipt of a Proposal submitted under paragraph (a)(vii) above, paragraph (a)(ix) below or paragraph (a)(x)(A) below, review the Proposal and determine whether to Approve or reject the Proposal or send it back to the Proposal Team for revision;

(ix) if the Proposal is sent back by an Applicable Governance Level to the Proposal Team for revisions, the Proposal Team will negotiate the requested or necessary revisions in accordance with paragraph (a)(vi) above and will resubmit the

Proposal to the Applicable Governance Level upon completion of the negotiation of such revisions (in which case paragraph (a)(viii) above will apply again);

(x) if any Proposal is rejected by an Applicable Governance Level, either Party may:

(A) escalate it to the next highest Governance Level (if any), in which case paragraph (a)(viii) above will apply; or

(B) initiate the Dispute Resolution Process;

(xi) if the Proposal is successfully negotiated and Approved by both Parties at the Applicable Governance Level or higher Governance Level, the Proposal will be signed by both Parties by their respective authorized signatories in the Executive Leadership;

(xii) any Proposal signed by both Parties will constitute a Change Order, and will be implemented by the Service Provider in accordance with the particulars of the Change Order;

(xiii) the Service Provider will not reject a Change Request initiated by the Province (including by failing to prepare or negotiate a Proposal in response to a Change Request) unless the Service Provider is unable to make the changes contemplated in the Change Request as a result of technical impediments that are commercially unreasonable to overcome, including through payment of fees by the Province (each an "**Adverse Impact**"). The Service Provider will provide the Province with a written explanation of any Adverse Impact stating in detail the particulars of the Adverse Impact and suggesting reasonable alternatives or workarounds (to the extent possible) for consideration by the Province in respect thereof;

(xiv) the Province may, at any time, reject any Change Request initiated by the Service Provider or any Proposal, regardless of which Party initiated the applicable Change Request. Upon the Service Provider's request, the Province will explain, through the Governance Process, the rationale for the rejection by the Province of any Change Request;

(xv) notwithstanding the foregoing, if the change requested pursuant to a Change Request is a Mandatory Change or becomes a Mandatory Change, the Province may require the Service Provider to implement the Mandatory Change pursuant to a Mandatory Change Directive in accordance with Section 8.6 (*Implementation of Mandatory Changes*).

(b) Service Provider will perform all of its obligations under this Section 8.4 (*Change Order Process – Change Proposal*), including all efforts to prepare and negotiate a Proposal, but excluding the implementation of a Change Order, at no additional cost to the Province, unless otherwise mutually agreed by the Parties in writing.

8.5 Change Request Impact on Fees.

If a Change Request has an impact on the Fees that may result in either an increase or decrease to the Fees, then any increase or decrease to be made to the Fees as a result of such impact will be determined in

a manner that is consistent with the Economic Model, including determination of the amounts as set forth in **Schedule 17** (*Fees and Economic Model*).

8.6 Implementation of Mandatory Changes.

(a) The Province may, at any time, require the Service Provider to implement a Mandatory Change by the delivery of a written direction (each, a "**Mandatory Change Directive**") to the Service Provider, in which case the following provisions will apply:

(i) the Mandatory Change Directive will comply with the requirements of Section 8.3 *(Change Order Process – Change Request)* and will include the Province's reasons and rationale for implementing the change as a Mandatory Change;

(ii) the Approval or agreement of the Service Provider to the Mandatory Change Directive is not required;

(iii) the Mandatory Change Directive will immediately become a Change Order for the purposes of Section 8.7 *(Change Orders)* upon the issuance by the Province and the Service Provider will implement the Mandatory Change following receipt of the Mandatory Change Directive from the Province, as soon as reasonably practicable to do so;

(iv) if, as a result of the Mandatory Change, the Fees are to be increased, decreased or otherwise changed, or any Service Levels, time frames, Privacy Obligations or Services will be impacted, and a determination must be made regarding the particulars of such increase, decrease, change or impact, then the following procedures will apply:

(A) forthwith (but no longer than two Business Days unless otherwise mutually agreed by the Parties) after receipt from the Province of a Mandatory Change Directive in respect of a Mandatory Change, the Service Provider will provide the Province with its proposed adjustment to the Fees (in accordance with Section 8.5 (*Change Request Impact on Fees*)) and any impact on Service Levels, time frames, Privacy Obligations and Services, in all cases with supporting documentation including, without limitation, detailed information, analysis and back-up support regarding any increase or decrease to the Fees (the "**Impact Assessment**");

(B) after the Province has received and reviewed the Impact Assessment from the Service Provider (or the Service Provider has failed to deliver the Impact Assessment in accordance with paragraph (A) above), the Province will, acting reasonably in accordance with the Guiding Principles, and after due consideration of the proposed Impact Assessment, and by separate written notice to the Service Provider, set the adjustment to the Fees (in accordance with Section 8.5 (*Change Request Impact on Fees*)) or such other adjustment or change to the Service Levels, time frames, Privacy Obligations and Services, which adjustment or change will take effect immediately with retroactive effect to the date of the implementation of the Mandatory Change, to the extent applicable under the circumstances;

(C) if the Service Provider has a Dispute with respect to such adjustment or change, then the Dispute will be settled pursuant to the Dispute Resolution Process set forth in Section 27.3 (*Expedited Dispute)*; and

(D) the adjustment or change determined by the Province will apply until any Dispute in respect thereof has been resolved between the Province and the Service Provider, whereupon the Province and the Service Provider will make such adjustments as between themselves as may be necessary to give effect to the resolution of the Dispute, retroactive to the date of the implementation of the Mandatory Change giving rise to such Dispute;

(v) the Fees for implementing a Mandatory Change will be indicated in its Mandatory Change Directive issued with respect to the Mandatory Change or as may otherwise be agreed to by the Province and the Service Provider in writing or determined in the settlement of a Dispute in accordance with paragraph (iv)(C) above; and

(vi) the Service Provider will not acquire any hardware, software or other assets for which the Province must reimburse the Service Provider in connection with the Mandatory Change, without the Province's Approval.

(b) If the Province has a Dispute with respect to any work performed by the Service Provider in connection with a Mandatory Change, including in respect of the pricing of a Mandatory Change, in accordance with this Article 8, then such Dispute will be settled pursuant to the Dispute Resolution Process set forth in Article 27 (*Dispute Resolution*) provided that should the Dispute be referred to arbitration, the provisions of Section 27.3 (*Expedited Dispute*) will apply.

8.7 Change Orders.

A Change Request or a Mandatory Change Directive will become a "**Change Order**" when the requirements of the procedures to consider such Change Request or Mandatory Change Directive set out in this Article 8 (*Change Process*) have been satisfied, and the Change Request or Mandatory Change Directive is Approved by each of the Province and the Service Provider, where such Approval is required pursuant to this Article 8 (*Change Process*).

8.8 Implementation of Change Orders.

The Service Provider will minimize disruption to the delivery of the Services and to the business operations of the Province as the result of the implementation of a Change Order arising from a Change Request or a Mandatory Change Directive. The cost of implementing a Change Order will be borne as set out in the Change Order or as otherwise provided in this Agreement. All privacy reviews contemplated in **Schedule 18** (*Privacy Schedule*) will be conducted in respect of any Change Order as more specifically set forth in **Schedule 18** (*Privacy Schedule*).

8.9 Consequential Amendments.

If the Province and the Service Provider proceed with a Change Order (whether as the result of a Change Request or a Mandatory Change Directive), then the Change Order will constitute an amendment to this Agreement including the relevant Schedules to this Agreement. From and after the effective date of the

implementation of a Change Order, this Agreement will be interpreted as amended by the Change Order, and this Agreement, as so amended, will continue in full force and effect for the remainder of the Term.

8.10 Record of Changes.

The Province and the Service Provider will jointly maintain an accurate and complete record of all changes to the Services contemplated in this Article 8 (*Change Process*) including all Change Requests, Mandatory Change Directives, Mandatory Changes and Change Orders. Such record may be maintained in such form as the Province and the Service Provider may agree pursuant to the Governance Process. Each of the Province and the Service Provider will cooperate to make corrections to such records as may be reasonably requested to ensure that the record of all changes is accurate and complete, in all material respects, at all times throughout the Term.

ARTICLE 9 – PERFORMANCE MANAGEMENT FRAMEWORK

9.1 Performance Management Framework.

The performance management framework, including procedures, methodologies, remedies, terms and conditions, set out in **Schedule 9** (*Performance Management Framework*) will apply to the Services.

9.2 Service Levels.

To achieve the Strategic Outcomes, the Service Provider will provide the Services at levels, measured by the Performance Measures, that meet or exceed the Performance Standards set out in **Schedule 9** (*Performance Management Framework*).

9.3 Remedies for Failure to Achieve Service Levels.

The Service Provider agrees that the Province is paying the Service Provider to deliver Services that achieve the Strategic Outcomes by performing the Services at levels, measured by the Performance Measures, that meet or exceed the Performance Standards set out in **Schedule 9** (*Performance Management Framework*). If the Service Provider fails to meet or exceed the Performance Standards, the Province will be entitled, without prejudice to any other rights or remedies to which the Province may be entitled under this Agreement, at law or in equity or otherwise, to the specific applicable remedies specified in **Schedule 9** (*Performance Management Framework*).

ARTICLE 10 – BENCHMARKING

10.1 Benchmarking.

The Province may require benchmarking comparisons of any one or more of the Fees or the Service Levels to be performed (each, a "**Benchmarking**"), in which case the following will apply:

(a) the Benchmarking will not be performed more frequently than twice during the Term;

(b) the Service Provider will cooperate with the Province in connection with any such Benchmarking in the manner contemplated in Section 10.2 (*Benchmarking Cooperation*);

(c) the third party consultant performing the Benchmarking (the "**Benchmarker**") will be selected and engaged by the Province and the Service Provider jointly. If the Province

and the Service Provider are not able to agree on the selection of the Benchmarker, then the matter will be a Dispute and will be settled in accordance with Article 27 *(Dispute Resolution)*;

(d) the costs of the Benchmarker will be shared equally between the Province and the Service Provider;

(e) as a condition to its engagement, the Benchmarker will execute a Non-Disclosure Agreement; and

(f) the Benchmarking will be a comparison of any one or more of the Services, including Service Levels and Fees, with the same or similar comparators of other entities receiving similar services, with appropriate adjustments being made where quantities or circumstances differ.

10.2 Benchmarking Cooperation.

The Province will, with the Service Provider's concurrence, determine the scope, methodology, relative comparisons and execution of each Benchmarking. The Service Provider will cooperate in the Benchmarking studies by providing information requested in relation to the Benchmarking, and in particular, the Service Provider will provide:

(a) the Benchmarker (and will ensure that its Subcontractors provide, either directly to the Benchmarker or to the Service Provider), all necessary information, documents and assistance, including, where necessary, access (which may be supervised) to the Service Provider's performance measurement tools, data, systems, employees and customers as may be reasonably required for the Benchmarker to perform the Benchmarking; and

(b) the Benchmarker with reasonable access to the Service Provider's performance data and, where necessary, access (which may be supervised) to the Service Provider's performance measurement tools to independently verify reported Achieved Service Levels.

10.3 Benchmarker's Report.

Each Party will receive a copy of the Benchmarker's report and will have an opportunity to review the same and make submissions to the Province with respect to the findings contained in the Benchmarker's report prior to any adjustments to the Services, the Service Levels or the Fees as a result of such Benchmarking. Any such adjustments will require the mutual written agreement signed by the Province and the Service Provider in accordance with the Governance Process or through the Change Order Process. If the Benchmarking results show that the Service Levels reported by the Service Provider are materially different than actual performance, then the Benchmarker will use actual performance as the basis of comparison.

10.4 Adjustments to Pricing.

If any Benchmarking report results show that comparative industry pricing for services similar to the Services are lower than the Fees payable under this Agreement, the Fees will be adjusted if and as appropriate based upon such results, as determined through the Governance Process.

10.5 User Satisfaction.

The Service Provider will cooperate with the Province to obtain information concerning the levels of the Province's and Citizens' satisfaction with the Services, including by the following:

(a) performing its obligations with respect to surveying Citizens and Province (including Province Ministries) recipients or users of the Services as to their level of satisfaction with the performance of the Services set out in **Schedule 9** (*Performance Management Framework*); and

(b) tracking performance levels and user complaints as well as the response to and handling of such complaints.

The results of satisfaction surveys will be reviewed by the Parties through the Governance Process.

ARTICLE 11 – BRANDING AND COMMUNICATIONS

11.1 Brand Use.

The Service Provider will provide the Services under the branding of the Province Marks set forth in **Schedule 11** (*Conditions of Use of Province Marks and Other Communications*), but subject to the provisions of Section 11.2 (*Use of Province Marks*), as the same may be changed from time to time by the Province pursuant to the Change Order Process. Such Approval by the Province will not restrict the Province's right to use any such Province Marks, or to license the same to any other Person, or use or license any other Province Marks similar thereto.

11.2 Use of Province Marks.

In respect of the use or display by the Service Provider of any trade-marks, official marks, business names, trade names, domain names, trading styles, logos, or other distinguishing marks of the Province, whether registered or unregistered (each a "**Province Mark**"), the Service Provider and the Province agree as follows:

(a) prior to any display or use of a Province Mark by the Service Provider in the performance of the Services, the Service Provider will obtain the Approval of the Province;

(b) subject to Section 11.1 (*Brand Use*), any display or use of the Province Marks by the Service Provider will only be for the duration of the Term, on a non-exclusive basis, and only for the purposes of providing the Services;

(c) the Service Provider will use the Province Marks only in accordance with this Agreement and in the manner expressly permitted in writing by the Province and provided that:

(i) the character and standards of quality of the wares and Services in respect of which the Province Marks may be used by the Service Provider are as set out in **Schedule 11** (*Conditions of Use of Province Marks and Other Communications*),

(ii) such display or use of the Province Marks is in accordance with the provisions of **Schedule 11** (*Conditions of Use of Province Marks and Other Communications*), appropriate legends and the Province Policies (specifically of the Province with

respect to Province Marks) including, without limitation, any policies established or enforced by the Province's Government Communications and Public Engagement branch, notice of which will be given to the Service Provider, and all usage guidelines and restrictions as reasonably prescribed from time to time by the Province in respect thereof, or in accordance with other express permissions granted by the Province, and

(iii) the Service Provider may not register or carry on business under a business name that contains any of the Province Marks unless specifically Approved by the Province;

(d) upon Termination of this Agreement, the Service Provider:

(i) will immediately cease any and all use of the Province Marks,

(ii) will discontinue the provision of all products and Services in association with the Province Marks, and

(iii) will not, and will ensure that its Affiliates do not, thereafter use the Province Marks or any trade-mark or trade name confusingly similar to the Province Marks;

(e) during and after the Term the Service Provider will not, and will ensure that its Affiliates do not, challenge the validity of the Province Marks or the Province's ownership of the Province Marks;

(f) any and all goodwill that is or may be acquired from the use of Province Marks by the Service Provider or its Affiliates will vest in and be, and be deemed to be, the property of the Province;

(g) the Province is and will remain the owner of the Province Marks, and the Service Provider will not obtain any rights in or to the Province Marks other than the right to use the Province Marks in accordance with the provisions of this Section 11.2 (*Use of Province Marks*);

(h) at the request of the Province, the Service Provider will provide the Province with samples of the Service Provider's use of the Province Marks; and

(i) the Service Provider will not use or register any Province Marks or any marks confusingly similar to the Province Marks except as expressly Approved by the Province under or in accordance with the terms of this Agreement.

11.3 Service Provider Marks.

Except as may otherwise be expressly required pursuant to Applicable Law, or as may be Approved by the Province, the Service Provider will not use or display any of the Service Provider's trade-marks, official marks, corporate names, business names, trade names, domain names, trading styles, logos, or other distinguishing marks (each a "**Service Provider Mark**") together or in conjunction with any Province Marks. Notwithstanding the foregoing, the Province will not obtain any rights in or to the Service Provider Marks, and any and all goodwill that is or may be acquired from the such use of a

Service Provider Mark by the Service Provider, if any, will vest in and be, and be deemed to be, the property of the Service Provider.

11.4 Publicity.

The Service Provider will submit to the Province all advertising, written sales promotion, press releases, public notices and any and all other publicity matters or materials relating to this Agreement or the transactions contemplated by this Agreement, or in which the Province's name or any trademark or logo of the Province is included or language from which connection with the Province's name or the any trademark or logo of the Province may be inferred or implied (the "**Publicity Materials**"). The Service Provider will not publish or use any Publicity Materials without the prior consultation with and Approval of the Province, which Approval will not be unreasonably withheld. Notwithstanding the foregoing, the Service Provider may include the Province's name and a factual description of the work performed under this Agreement only:

(a) on employee bulletin boards;

(b) in internal business planning documents;

(c) for account referral purposes when Approved by the Province;

(d) whenever otherwise required by reason of legal, accounting or regulatory requirements; and

(e) in proposals where such proposal language has been Approved by the Province.

In addition, no disclosure, including press releases, will be made by the Service Provider regarding any aspect of the Services or the Province without the Approval of the Province. In the event of potentially negative publicity or other potentially adverse effects upon the Service Provider in connection with the Services or this Agreement, the Service Provider will be entitled to respond to the same provided that it does so in consultation with the Province, and that the Province is given the opportunity to first Approve the contents of any such response insofar as it relates to the Province, the Services or this Agreement.

11.5 Communications.

Unless specifically provided otherwise in this Agreement, all communications by the Service Provider will be in accordance with the Communication Plan and other processes and procedures as set forth in **Schedule 12** (*Governance*).

11.6 Adverse Impact Notice.

The Service Provider will provide the Province with prior notice (which need not be in writing), if possible, of events with respect to the Service Provider and its Affiliates that the Service Provider anticipates will become public and could reasonably be expected to adversely impact the Province or the relationship between the Parties, or be covered negatively in any North American media. The Service Provider's obligation to provide such notice is subject to the provisions of Applicable Laws, including securities laws applicable to the Service Provider and its Affiliates, and to the confidentiality obligations of the Service Provider and its Affiliates. Where it is not possible for the Service Provider to provide prior notice to the Province, the Service Provider will notify the Province as soon as possible.

ARTICLE 12 – RELATIONSHIP MANAGEMENT AND HUMAN RESOURCES

12.1 Governance.

The Parties specifically intend to manage the relationship of the Parties in relation to this Agreement in a collaborative fashion in accordance with the Guiding Principles to achieve the Shared Vision and Objectives. During the Term, the relationship between the Service Provider and the Province (including the mechanisms by which they will manage this Agreement, each with the other) will be expressly governed by the provisions of this Article 12 (*Relationship Management and Human Resources*) and the processes, procedures and provisions set forth in the governance structure attached as **Schedule 12** (*Governance*) may be jointly amended from time to time by the Service Provider and the Province in accordance with the terms of this Agreement.

12.2 Cooperation of the Parties.

Each Party will cooperate with the other, in good faith and with reference to the Guiding Principles, in the performance of its obligations under this Agreement. In connection therewith, each Party will make available, as reasonably requested by the other Party, such management decisions, information, approvals and acceptances such that the provision of the Services under this Agreement may be accomplished in a proper, timely and efficient manner and in accordance with the processes and procedures set forth in this Agreement. Unless specifically provided otherwise in this Agreement, where an agreement, approval, acceptance or consent of the other Party is required by any provision of this Agreement, then such action will not be unreasonably withheld or delayed, having regard to all of the surrounding circumstances. The Parties agree that it will not be considered reasonable for any requested response time for an agreement, approval, acceptance or consent from either Party to be less than five Business Days except in extraordinary circumstances clearly demonstrated in writing by the requesting Party. Notwithstanding the foregoing, nothing in this Section 12.2 (*Cooperation of the Parties*) will in any manner relieve the Service Provider from performing its obligations, or delivering the Services, as contemplated under, and in accordance with, the terms of this Agreement.

12.3 Power and Authority of the Service Provider.

Except as otherwise set forth in this Agreement, and subject to the terms of this Agreement, the Service Provider will have the power and authority to take such actions as it deems to be prudent, necessary or advisable to perform the Services in accordance with the terms and conditions set forth in this Agreement. Notwithstanding the foregoing, the Service Provider will not take any action required by this Agreement, if such action is:

(a) subject to the Approval of the Province, without having received such Approval; or

(b) subject to consultation with the Province, without having undertaken such consultation.

For greater clarification, no such Approval or consultation will in any manner relieve the Service Provider from performing its obligations, or delivering the Services, as contemplated under, and in accordance with, the express terms of this Agreement, nor will such Approval or consultation have any effect on the allocation of risk to the Service Provider as a result of the covenants, obligations and requirements of the Service Provider under the terms of this Agreement.

12.4 Province's Right to Issue Directives.

The Province may, from time to time, at the Service Provider's request or at the Province's own initiative, issue written directives and instructions and establish written policies and procedures governing the duties and obligations of the Service Provider relating to the Services (including with respect to confidentiality, privacy and security), in order to cause the Service Provider to comply with the Province Policies or business requirements in the performance of the Services (each a "**Directive**"), in which case, the following provisions will apply:

(a) where applicable, the Directives will be subject to the Change Order Process and will be deemed to be a Mandatory Change Directive;

(b) the Province will, through the Governance Process, provide the Service Provider with timely written notice of the Directives;

(c) the Service Provider will at all times act in accordance with the Directives that it has so received from the Province, provided that the Directives do not oblige the Service Provider to perform any duty or obligation not provided for or otherwise contemplated under this Agreement, and do not have the effect of causing the Service Provider to be in breach of any Applicable Laws;

(d) the Province will provide the Service Provider with a reasonable period of time to comply with a Directive, having regard to all of the surrounding circumstances, the nature of the Directive, and the requirements of the Change Order Process (including, without limitation, the Mandatory Changes), it being acknowledged by the Province and the Service Provider that the nature of some Directives may necessitate immediate compliance, in which case, the Service Provider will comply with the Directive as promptly as practicable; and

(e) subject to the requirements of the Change Order Process (including, without limitation, the Mandatory Changes), the failure or refusal of the Service Provider to comply with a Directive that it has received from the Province within the times required pursuant to this Agreement, and in accordance with the provisions of this Section, may constitute a Material Breach under the provisions of Section 28.1 *(Service Provider Material Breach)*.

12.5 Province Approval.

In connection with the Services performed by the Service Provider under this Agreement, and unless specifically provided otherwise in this Agreement, the Service Provider will not undertake any matter outside of the scope of the Services contemplated under this Agreement throughout the Term, and will not undertake any of the following matters without the prior Approval of the Province:

(a) any financing or borrowing from a Person other than from an Affiliate of the Service Provider, and other than trade credit in the ordinary course, that could cause or permit (and the Service Provider will not otherwise cause or permit) the creation or maintenance of any security interest, charge, pledge or other encumbrance on the rights of the Service Provider under this Agreement provided, however, that any such financing or borrowing that does not encumber the rights of the Service Provider under this Agreement but could create an encumbrance on any assets of the Service Provider or any of its Affiliates used in the provision of Services by the Service Provider will be permitted without the

Approval of the Province if the Service Provider provides advance notice in writing to the Province of such financing or borrowing;

(b) those matters specifically identified in this Agreement as requiring the Approval or other authorization or consent of the Province;

(c) making or agreeing to make any capital expenditure on behalf of the Province; or

(d) retaining legal counsel on behalf of the Province with respect to any matter involving any Service, or initiating or responding to any legal, regulatory or other proceeding on behalf of the Province, or settling any Claim prosecuted by or against the Province arising from a legal or regulatory proceeding regarding any Service.

If the Approval of the Province is required pursuant to this Agreement, then except as specifically provided otherwise in this Agreement, the Service Provider will deliver written notice to the Province through the Governance Process, setting out the particulars of the matter and requesting the Approval of the Province, and setting forth the reasonable time period in which a response is required, and if applicable, the implications of not responding within that time period. The Service Provider and the Province agree that it will not be considered reasonable for the requested response time to be less than five Business Days except in extraordinary circumstances clearly demonstrated in the Service Provider's notice. The Province will use reasonable efforts to respond to any request from the Service Provider for the Approval of the Province within a reasonable period of time, having regard to all of the surrounding circumstances. Except as specifically provided otherwise in this Agreement, the failure of the Province to respond to a request for an Approval during the period suggested by the Service Provider will not result in any liability on the part of the Province to the Service Provider or be deemed to constitute the Approval of the Province by acquiescence or otherwise. Where the Province delays in providing such response to the Service Provider in circumstances where the request for the Approval from the Service Provider expressly sets forth the consequences of not responding within the required time period, then the Service Provider will not be responsible for any breach by the Service Provider of its obligations under this Agreement where the same are directly attributable to the delay of the Province in providing such response.

12.6 Key Positions.

Recognizing the importance of executive continuity to the ongoing success of the relationship between the Service Provider and the Province, and to the successful performance of the Services under this Agreement, the Service Provider will use all reasonable efforts to minimize turnover of personnel in the Service Provider positions, as more particularly described in **Schedule 13** (*Key Positions*) (the "**Key Positions**"), as may be changed from time to time by the Service Provider and the Province in accordance with this Section 12.6 (*Key Positions*) and Section 12.7 (*Changes in Key Positions*). At all times during the Term, the Service Provider will ensure that the Key Positions are appropriately staffed and available as may be necessary to ensure the continuous and uninterrupted provision of the Services. Subject to Subsections 12.7(a) and (b), the foregoing will constitute a material obligation for purposes of Section 28.1 (*Service Provider Material Breach*). The Province and the Service Provider may, from time to time through the Governance Process, re-designate the positions that constitute Key Positions.

12.7 Changes in Key Positions.

The Province has entered into this Agreement in reliance upon and with the expectation that the personnel in the Key Positions will be engaged in the provision of the Services to the Province, and with the expectation of reasonable continuity in the Key Positions. Accordingly, the Service Provider will implement personnel changes in the Key Positions in accordance with the following:

(a) the Service Provider will not remove any personnel from Key Positions unless and until the Province has been consulted regarding the removal through the Governance Process, except:

(i) for reasons of illness, resignation, termination for cause or other causes outside the reasonable control of the Service Provider; or

(ii) if the Province, acting reasonably and following consultation with the Service Provider through the Governance Process, requests that the Service Provider do so after raising legitimate concerns with such Key Position personnel's ability to perform any work or tasks assigned to that individual in accordance with the requirements of this Agreement, including a failure to: (A) perform such work or tasks competently, in a professional manner and with all due care and skill; (B) comply with the Province's policies, practices and procedures; or (C) act in a professional manner, in which case the Service Provider will comply with such request;

(b) where a member of the Service Provider's personnel occupying a Key Position is removed in accordance with Subsection 12.7(a), the Service Provider will consult with the Province about the personnel of Service Provider that the Service Provider proposes will replace such member in the Key Position and only where the Province has legitimate concerns with the proposed replacement personnel, acting reasonably and having regard to the Share Vision, Guiding Principles and Objectives, as well as the circumstances relating to the replacement, may the Province require the Service Provider to propose an alternative replacement personnel;

(c) in the event of an extended or unexpected absence of the incumbent in a Key Position, the Service Provider will advise the Province of such absence, and the Province and the Service Provider will consult as to the appropriate steps to be taken by the Service Provider in respect of such absence; and

(d) any individual assigned to or otherwise placed in a Key Position will have qualifications or experience appropriate to the position which will be at least equivalent to the qualifications and experience of the initial person in such Key Position unless otherwise Approved by the Province, and such person will be suitably trained and transitioned to the Key Position.

12.8 Key Position Failures.

At any time, and from time to time, during the Term, the Province or the Service Provider may by notice (which may be oral) to the other, declare that a Key Position has failed to satisfactorily perform the duties of such position. The Province and the Service Provider will promptly discuss such concerns, and where the Province and the Service Provider cannot agree on an appropriate course of action in respect thereof, then such issue will be elevated to the Executive Leadership for consideration, or such other discreet channels of communication as may be appropriate under the circumstances. Where the Executive Leadership provides any direction, including removal of such person, then the Service Provider will promptly adhere to and implement such direction.

12.9 Province Personnel.

The Province will make reasonable efforts to notify the Service Provider of any changes to Province personnel performing roles designated to be performed by the Province under this Agreement or who otherwise occupy key roles which support the administration or management of this Agreement. For greater certainty, no change to such Province personnel or failure on the part of the Province to notify the Service Provider of changes to such Province personnel will excuse, or be used as a defence for, the Service Provider's failure to perform or delay in performing its obligations under this Agreement.

12.10 General Principles Regarding Personnel.

At all times during the Term, the Service Provider will employ sufficient personnel of the Service Provider, including both employees and independent contractors of the Service Provider (collectively, "**Personnel**"), and will ensure that sufficient personnel are employed by its Subcontractors (collectively, "**External Personnel**"), to perform the Services in accordance with Service Levels and the other terms and conditions of this Agreement. The following provisions will apply with respect to the Personnel and the External Personnel:

(a) unless specifically provided otherwise in this Agreement, the Service Provider will be responsible for the management and supervision of, and for the acts, omissions, performance of, and damage caused by the Personnel and External Personnel in the performance of the Services;

(b) the Service Provider will ensure that the use of all Foreign Employed Individuals in the performance of the Services will comply with the Privacy Obligations applicable thereto;

(c) the Service Provider will ensure that the Personnel and External Personnel performing the Services:

(i) possess a degree of skill and experience appropriate to the tasks to which they are assigned and the performance and Service Levels which they are required to achieve,

(ii) receive appropriate training (including quality training courses, refresher courses and retraining programs) for the performance of the Services and compliance with the confidentiality provisions and Privacy Obligations in the Agreement,

(iii) perform the Services to the standards set out in this Agreement, and

(iv) strictly comply with the privacy, security and confidentiality provisions set forth in the Privacy Obligations;

(d) where given a Directive by the Province pursuant to Section 12.4 (*Province's Right to Issue Directives*), or where otherwise necessary, appropriate or prudent to do so given the nature of the Services or of the Province Confidential Information being accessed, used or disclosed, the Service Provider will conduct appropriate background checks with respect to the applicable Personnel, and will contractually require Subcontractors to do the same with respect to the applicable External Personnel, prior to such personnel commencing to provide the Services;

(e) unless specifically provided otherwise under this Agreement, the Service Provider will be solely liable and responsible (to the exclusion of the Province) for all costs, expenses, liabilities or claims, whenever incurred, relating to:

(i) salaries and other compensation payable to its Personnel,

(ii) labour relations proceedings or orders, grievances, arbitration proceedings or unsatisfied arbitration awards relating to its Personnel,

(iii) strikes or other actions due to labour disputes involving its Personnel, and

(iv) complaints, claims, decisions, applications, orders or prosecutions under any employment or labour standards, occupational health and safety, workers' compensation, pay equity, employment equity and human rights legislation relating to its Personnel,

regardless of the time that the matter or event giving rise to any such costs, expenses, liability or claims arises or occurs, and for greater clarification, none of such costs, expenses, liabilities or claims referred to in this paragraph (e) above will be subject to reimbursement by the Province to the Service Provider;

(f) the Service Provider will deal with its Subcontractors in such a manner that the Province will have no liability resulting from the failure of the Subcontractors to meet the same responsibilities and payment obligations as described in paragraph (e) above with respect to the External Personnel, and for greater clarification, none of such costs, expenses, liabilities or claims contemplated in this paragraph (f) will be subject to reimbursement by the Province to the Service Provider or to the Subcontractors;

(g) the Service Provider will comply at all times with all applicable collective agreements and all applicable employment standards, occupational health and safety, workers' compensation, human rights legislation, and other Applicable Laws relating to its Personnel, will cause each Subcontractor to comply with the same as applicable to the External Personnel of such entities, and will deal with all Subcontractors in such a manner that the Province will have no liability resulting from any failure of the Subcontractors to so comply with such responsibilities and obligations with respect to the External Personnel; and

(h) except as expressly provided otherwise in this Agreement, the Service Provider will be solely liable and responsible for, to the exclusion of the Province, all costs arising from or otherwise relating to the termination by the Service Provider of any Personnel, and will ensure that the Province has no liability for the termination by any Subcontractor of any External Personnel, and the Service Provider and the Subcontractors will not be reimbursed by the Province for any such costs, expenses, claims or liabilities.

12.11 Cooperation with Other Service Providers.

(a) The Service Provider acknowledges that the Province may have third party suppliers and service providers (each, an "**Other Service Provider**") that supply hardware, equipment, software, systems, documentation or other products or services that are related to, or interact with the Services, or the Province's systems or operations, and that such Other Service Providers may be impacted by the delivery of the Services or the performance by

the Service Provider of its obligations under this Agreement. The Service Provider acknowledges and agrees that the performance by such Other Service Providers of their obligations may require the cooperation and assistance of the Service Provider.

(b) At the Province's request, the Service Provider will cooperate with and assist, and will cause each Subcontractor to cooperate with and assist, the Other Service Providers in order to coordinate the performance by each Other Service Provider of its obligations with the performance of the obligations of the Service Provider and Subcontractors.

(c) Without limiting Subsection 12.11(a), the Service Provider will, and will cause each Subcontractor to, cooperate fully with the Province and any Other Service Providers, including:

(i) to the extent required to coordinate the performance by each Other Service Provider of its obligations with the performance of the obligations of the Service Provider and the Subcontractors, granting the Province, the Other Service Providers or the Province's authorized contractors or representatives access to hardware, software, systems, information, equipment and facilities of the Service Provider or, to the extent Service Provider is able to obtain the necessary access rights after using commercially reasonable efforts, any Subcontractor used to provide the Services;

(ii) making available and providing information to the Province and the Other Service Providers regarding the Services;

(iii) co-operating with or, if requested by the Province, taking instructions from, the Province and the Other Service Providers to develop interfaces between, and assist in the operation of, the Services and the hardware, equipment, software and systems of the Province and the Other Service Providers;

(iv) upon the Province's request, complying with the instructions of Other Service Providers to the extent relevant to the Service Provider's provision of the Services under this Agreement; and

(v) otherwise cooperating with the Province and the Other Service Providers in order to coordinate performance of services by the Province or any Other Service Provider with performance of the obligations of the Service Provider or the Subcontractors, including responding to information requests, supplying technical or project-related information, coordinating the delivery of services, and otherwise promoting efficient and timely provision of services to the Province. The Service Provider will also collaborate with the Province and Other Service Providers in addressing service-related issues that may cross over from one service area or provider to another and related to the Services ("**Cross-Over Issues**"). As part of the Services, the Service Provider will actively provide and support tasks associated with operating and maintaining a collaborative approach to Cross-Over Issues in the same manner as if the Service relevant to the Cross-Over Issue was being provided in-house by the Province rather than by the Service Provider;

provided that, if compliance with the obligations set out in this Subsection 12.11(c) would require the disclosure of Confidential Information of the Service Provider to Other Service

Providers, the Service Provider may require the Other Service Provider to execute a reasonable confidentiality agreement with the Service Provider.

(d) The Service Provider will provide the Services referred to in paragraphs (a) through (c) above at no additional charge, unless the Service Provider, acting reasonably, considers that substantial effort is required to perform the Services described in Subsection 12.11(c)(iii) and such effort is not then compensated by Fees, in which case the Service Provider may request additional fees for such Services through the Governance Process which (if agreed) will be implemented as a change through the Change Order Process.

(e) To the extent that the Service Provider receives any services under any agreement between the Province and any Other Service Provider, the Service Provider will comply with all obligations of the Province under such agreement relating to the Service Provider's receipt of such services of which the Province has informed the Service Provider, to the same extent as though the Service Provider had been named a party to the agreement in place of the Province.

ARTICLE 13 – SUBCONTRACTORS

13.1 Responsibility for Subcontractors.

The Service Provider is the general contractor for the Services under this Agreement and remains responsible for all of its obligations under this Agreement, regardless of whether the Service Provider relies upon any Subcontractor to any extent. Subject to the terms of this Agreement:

(a) the Service Provider must ensure that any Subcontractor, and any Person retained by a Subcontractor, to perform obligations under this Agreement fully complies with this Agreement in performing the subcontracted obligations;

(b) the Service Provider's use of Subcontractors, whether Approved by the Province or not, for any of the Services will in no way increase the Service Provider's rights or diminish the Service Provider's obligations or liabilities to the Province with respect to this Agreement;

(c) the Service Provider's rights and liabilities under this Agreement with respect to the Province will be as though the Service Provider had itself performed such Services;

(d) the Service Provider will require all Subcontractors to obtain, maintain and keep in force during the time they are engaged in providing the Services under this Agreement adequate insurance coverage having regard for the size of the Subcontract and the Service Provider's insurance obligations under this Agreement. The Service Provider will, upon the Province's request, (i) provide the Province with evidence of such insurance to the Province; (ii) ensure that the Province is named as first loss payee with respect to such insurance; or (iii) both;

(e) the Service Provider will be responsible for any defaults or delays caused by any Subcontractor in connection with the Services as if such defaults or delays were caused by the Service Provider; and

(f) the Service Provider will be fully responsible for all actions and omissions of the Subcontractors in the performance of the Services.

If a Subcontractor breaches a Subcontract, or is alleged to have breached a Subcontract, which could have a material effect on the delivery of the Services or the performance of the Service Provider's obligations under this Agreement, then the Service Provider will notify the Province in writing and provide the Province with such information relating to the alleged breach as the Province may request.

13.2 Inconsistent Subcontract Terms.

The terms of this Agreement will, in all events, be binding upon the Service Provider notwithstanding, and without regard to:

(a) the existence of any inconsistent or contrary terms in any agreement between the Service Provider and any Subcontractor, subject to Section 13.7 (*Assigned Contracts*); and

(b) the fact that the Province may have directly or indirectly been given or otherwise received notice of the existence of any inconsistent or contrary terms in any agreement between the Service Provider and any Subcontractor.

13.3 General Contract Terms (Subcontractors).

Subject to Section 13.8 (*Material Subcontractors*), all Subcontracts entered into by the Service Provider with Subcontractors will not include any terms or provisions that are inconsistent with, or contrary to, the terms and conditions of this Agreement, and all such Subcontracts will include the following provisions:

(a) a requirement that the Subcontractor adhere to the applicable obligations that:

(i) are expressly required by this Agreement to be imposed upon the Subcontractor; and

(ii) are otherwise required for the Service Provider to perform its obligations to the Province under this Agreement including, without limitation, the Service Levels, confidentiality obligations, security obligations, intellectual property provisions, insurance obligations, Privacy Obligations, and reporting, audit and access rights and requirements. For clarity and without limitation, any Subcontractor performing any Other Services must be required to comply with the Security Schedule;

(b) assignment or licensing of Intellectual Property Rights to the Service Provider in respect of any deliverables created in such relationship, and waiver of moral rights in respect of the same, to the extent required by the Service Provider to comply with its obligations to the Province under this Agreement;

(c) obligations regarding compliance with Applicable Laws, including source deductions and remittances (for taxes, workers compensation and similar requirements);

(d) termination rights consistent with the terms of this Agreement;

(e) to the extent possible, assignment rights to the Province or an Alternative Service Provider upon the early Termination of this Agreement in accordance with its terms, without any further consent from the Subcontractor or any additional, accelerated or other similar payments having to be made; and

(f) any other provisions necessary for the Service Provider to fulfill its obligations under this Agreement.

The foregoing will not apply with respect to any Assigned Contracts to the extent set forth in Section 13.7 (*Assigned Contracts*).

13.4 Subcontractor Monitoring.

During the Term, the Service Provider will:

(a) monitor the performance of Subcontractors and promptly address and remedy any performance issues or disputes with Subcontractors in such a manner which has no adverse impact on the nature, quality or delivery of the applicable Services; and

(b) ensure that contingency plans are devised for the possibility of a Subcontractor failing to perform, needing to be replaced, or terminating the Subcontract with the Service Provider before the Termination of this Agreement.

13.5 Non-Disclosure Documents.

Unless otherwise Approved by the Province, all External Personnel of Access Subcontractors (including all External Personnel of any Affiliates of the Service Provider who may have access to, or use or disclosure of, Personal Information) will be required to execute documents directly with the Access Subcontractor employing such External Personnel binding such External Personnel to confidentiality and non-disclosure agreements as required by this Agreement and in a form Approved by the Province, all as more particularly described in the Privacy Obligations contained in **Schedule 18** (*Privacy Schedule*) (the "**External Personnel Agreements**"). The Service Provider will not disclose or provide access to any Personal Information to any such External Personnel until such External Personnel have entered into an External Personnel Agreement.

13.6 Confidentiality Breaches.

Unless specifically provided otherwise under this Agreement, any breach of the confidentiality obligations set forth in this Agreement by a Subcontractor, or any External Personnel of such Subcontractor, will be deemed to constitute a breach of the confidentiality provisions of this Agreement by the Service Provider. In the event of any breach of confidentiality obligations by a Subcontractor, or any External Personnel of a Subcontractor, the Service Provider and the Province agree as follows:

(a) in the event that either Party discovers that a breach of confidentiality by a Subcontractor or any External Personnel of a Subcontractor has occurred, it will promptly notify the other Party in writing;

(b) the Service Provider will take all steps necessary to remedy or to have remedied such breach;

(c) the Service Provider will develop and inform the Province of any remedial plans to remedy or otherwise deal with such breach;

(d) if the Province Approves such remedial plan, and the Service Provider carries out the remedial plan, then the Province will not be entitled to terminate this Agreement solely on the basis of the Subcontractor's breach of confidentiality;

(e) if the Service Provider does not carry out the remedial plan, then such failure to carry out the remedial plan will constitute a Material Breach for the purposes of Subsection 28.1(l); and

(f) if the Province

(i) determines, in its reasonable opinion, that the breach of confidentiality obligations is material; or

(ii) does not Approve such remedial plan, acting reasonably,

then such breach will constitute a Material Breach for purposes of Subsection 28.1(l).

13.7 Assigned Contracts.

To the extent that there are any Subcontracts that are or will be Assigned Contracts for the purposes of this Agreement, the following provisions will apply:

(a) the Service Provider will enforce the existing provisions in such Assigned Contracts;

(b) the Service Provider will not, without the Approval of the Province, reduce or eliminate existing provisions in the Assigned Contract with respect to confidentiality, privacy and security;

(c) the Service Provider will use reasonable efforts to expand the confidentiality, privacy and security provisions of such Assigned Contracts to be in conformance with the requirements of this Agreement in respect thereof;

(d) the failure of an Assigned Contract to include provisions required by this Agreement to be included in a Subcontract, including the following, will not constitute a breach of this Agreement:

(i) provisions corresponding to the provisions of this Agreement that are required to flow down to Subcontractors,

(ii) any Privacy Obligations applicable to Subcontractors, including a requirement that External Personnel of the Subcontractor execute an External Personnel Agreement, or

(iii) in the case of an Assigned Contract that is a Material Subcontract, the provisions required to be included by Section 13.9 (*Additional Material Subcontract Terms*);

(e) when renewing or renegotiating such Assigned Contracts at the end of their respective current terms (and prior to any renewals or extensions thereof), the Service Provider will use commercially reasonable efforts to amend the terms to comply with the provisions of this Agreement;

(f) as a condition of any renewal or renegotiation of any Assigned Contract at the expiry of its Term, or to any extension of an existing term of any Assigned Contract, and unless otherwise Approved by the Province (although any such Approval will not, and will not

be deemed to, reduce any of the obligations of the Service Provider under the Privacy Obligations), the Service Provider will use commercially reasonable efforts to amend any such renewed, extended or renegotiated Assigned Contracts to comply with the Privacy Obligations to the extent that the Privacy Obligations are applicable thereto, including the requirement that External Personnel of the Subcontractor accessing Personal Information execute an External Personnel Agreement; and

(g) should the renewal or renegotiation or extension of an Assigned Contract result in the Service Provider not being able to comply with the provisions set paragraphs (e) and (f) above, the Service Provider shall have the right to terminate the Assigned Contract and procure the same services from an alternative provider with Province Approval through the Governance Process.

Any breach of the confidentiality or the privacy and security provisions (if any) contained in the Assigned Contracts by Subcontractors will be deemed to constitute a breach of the confidentiality or the privacy and security provisions of this Agreement.

13.8 Material Subcontractors.

Any Subcontract entered into by the Service Provider for the performance of any part of the Services by a Subcontractor that meets any of the following requirements, will constitute a "**Material Subcontract**" to which the provisions of Section 13.9 (*Additional Material Subcontract Terms*), in addition to the provisions set forth in Section 13.3 (*General Contract Terms* (*Subcontractors*)), will apply, but excluding therefrom any contracts that are Assigned Contracts:

(a) the Subcontract is in respect of the provision of the Services that represent in excess of two percent (2%) of the number of Personnel and External Personnel involved in providing the Services in any Contract Year;

(b) the Subcontract has an aggregate dollar value of two percent (2%) or more of the Fees invoiced to the Province by the Service Provider in any Contract Year;

(c) the Subcontract is in respect of material obligations as determined by the Province, acting reasonably; or

(d) the Subcontract is with an Access Subcontractor or otherwise provides the Subcontractor with access to any Province Data or Province Confidential Information (including Province Personal Information).

13.9 Additional Material Subcontract Terms.

Unless consented to in writing by the Province, all Material Subcontracts entered into by the Service Provider will, in addition to the provisions set forth in Section 13.3 (*General Contract Terms* (*Subcontractors*)), include the following provisions:

(a) provisions by which any Material Subcontractor who has or could have access to, use or disclosure of Personal Information in connection with the Services is bound to any applicable Privacy Obligations as identified in **Schedule 18** (*Privacy Schedule*);

(b) provisions naming the Province as an intended third party beneficiary of the Material Subcontract and providing for the delivery by the Material Subcontractor of a certificate to such effect to the Province upon request;

(c) an agreement by both the Service Provider and the Material Subcontractor not to directly or indirectly assign the Material Subcontract to any Person without the Approval of the Province, not to be unreasonably withheld or delayed; and

(d) provisions entitling the Service Provider to terminate the Material Subcontract in response to a notice received from the Province under Section 13.13 (*Removal of Subcontractor*).

13.10 Extracts of Subcontracts.

During the Term of this Agreement, and at the request of the Province, the Service Provider will provide the Province with certificates signed by the Service Provider that have extracts of Material Subcontracts attached thereto, in a form sufficient for the Province to confirm the Service Provider's compliance with the obligations set forth in this Article 13 (*Subcontractors*). In connection therewith, the Service Provider will provide such certificate to the Province in respect of the Material Subcontracts described in the attached **Schedule 14** (*Subcontractors*), concurrently with the execution of this Agreement.

13.11 Consent to Use of Material Subcontractors.

The Service Provider will not use any Material Subcontractors in respect of the provision of any Services or other obligations performed under or in connection with this Agreement unless the Service Provider obtains the Approval of the Province, and for purposes hereof those Material Subcontractors described in **Schedule 14** (*Subcontractors*) are hereby Approved by the Province. Any request for Approval of a Material Subcontractor will include information regarding the components of the Services affected, the scope of the proposed Material Subcontract, the identity and qualifications of the proposed Material Subcontractor, whether the proposed Material Subcontractor is an Affiliate of the Service Provider, whether the proposed Material Subcontractor is a Canadian Entity, the foreign ownership (direct or indirect) of the proposed Material Subcontractor (if any), and the reasons for subcontracting the work in question.

13.12 Criteria for Material Subcontractors.

In considering a request for the Approval of a Material Subcontractor under the provisions of Section 13.11 (*Consent to Use of Material Subcontractors*), the Province will consider the reputation, financial stability, qualifications, applicable experience, ability, direct and indirect ownership, and availability of the Material Subcontractor, whether the Material Subcontractor who may have access to, or use or disclosure of Personal Information is a Canadian Entity, and the extent to which the Material Subcontractor could or would have access to, use or disclosure of any Personal Information, the purpose of such access, use and disclosure by (and by any External Personnel of) the Material Subcontractor. The Service Provider will not be required to provide to the Province any Subcontract (or draft Subcontract) with a Material Subcontractor (or proposed Material Subcontractor) in connection with a request for or to obtain the Province's Approval of the Material Subcontractor, except to the extent contemplated in Section 13.10 (*Extracts of Subcontracts*).

13.13 Removal of Subcontractor.

(a) In the event that the Province determines, acting reasonably (having regard to the Shared Vision, Guiding Principles and Objectives), and following consultation with the Service Provider through the Governance Process that:

(i) due to the wilful misconduct, fraud or other forms of malfeasance by a Subcontractor, the continued use of such Subcontractor will or could have a detrimental effect on and is no longer in the best interest of the Province and the Province has severed its relationship with such Subcontractor; or

(ii) the risk of a breach of the provisions of the *Freedom of Information and Protection of Privacy Act* is increased as a result of, but not limited to, an Access Subcontractor ceasing to be a Canadian Entity;

then the Province will give the Service Provider notice thereof (and specifying in detail the reasons therefor) through the Executive Leadership, requesting that such Subcontractor or Access Subcontractor be replaced. Promptly following receipt of such notice, the Service Provider will investigate the matters stated in the notice and discuss its findings with the Province through the Executive Leadership. If requested to do so by the Province (acting reasonably), the Service Provider will (within the timeframe specified by the Province after consultation with the Service Provider in respect of such timeframe) remove any access that the Subcontractor or Access Subcontractor may have to the Personal Information pending completion of the Service Provider's investigation and discussions with the Province. If, following such discussions with the Service Provider through the Executive Leadership, the Province reaffirms, acting reasonably, its request for the replacement of such Subcontractor or Access Subcontractor, then the Service Provider will, within 90 days (or such different period of time as may be agreed to between the Province and the Service Provider through the Executive Leadership having regard to all of the surrounding circumstances) of such reaffirmation, replace such Subcontractor or Access Subcontractor with a new Subcontractor or Access Subcontractor of suitable qualifications, or will perform the applicable Services directly. For clarity, nothing in this Section 13.13 (*Removal of Subcontractor*) is intended to limit, or derogate from, the Service Provider's responsibilities under this Agreement with respect to Subcontractors, including under Section 13.1 (*Responsibility for Subcontractors*).

13.14 Other Business with Subcontractors.

Nothing contained in this Agreement will prohibit or otherwise restrict the Province from entering into agreements or other arrangements with any Subcontractor.

13.15 Suppliers.

The Service Provider may enter into contracts with Suppliers in respect of the Services (including for third party Software or for support or maintenance service) with such Suppliers as the Service Provider may select, provided that the Service Provider complies with any other applicable provisions of this Agreement (including the applicable rights of Approval of the Province). The following provisions will apply to contracts with Suppliers entered into by the Service Provider (other than contracts with Suppliers constituting Assigned Contracts) (it being understood that any Person who is given access to or use of Personal Information is an Access Subcontractor and not a Supplier for the purposes of this Agreement):

(a) all costs and expenses of such contracts with Suppliers will be the sole responsibility of the Service Provider, including any termination cost, penalties or other amounts payable in connection with such contracts;

(b) the Service Provider will ensure that the Suppliers have the required skill, qualifications and experience necessary to perform their obligations, and in the case of janitorial services, the Service Provider will retain bonded janitors only;

(c) the Service Provider will ensure that its Suppliers do not obtain access to Personal Information or Province Confidential Information by employing appropriate security policies, including, without limitation, a clean desk policy;

(d) the Service Provider will not be relieved of any of its obligations in respect of the Services or under this Agreement as a result of any contracts with Suppliers, and the Service Provider will be responsible for all actions and failure to act of all of its Suppliers and the consequences thereof;

(e) all Supplier contracts will be assignable in the manner contemplated in Article 29 (*Termination Services*) in connection with the termination of this Agreement; and

(f) the Province may require the Service Provider to remove any Supplier from providing any goods and services to the Service Provider in respect of this Agreement if the Province determines in good faith (having regard to the Shared Vision, Guiding Principles and Objectives) that the continued use of such Supplier is detrimental to the provision of the Services by the Service Provider in accordance with this Agreement or otherwise not appropriate (such as due to a conflict of interest), in which event the Service Provider will remove such Supplier. Where the removal of such Supplier is not urgent, as determined by the Province acting reasonably, the Province will consult with the Service Provider through the Governance Process prior to requiring the Service Provider to remove a Supplier under this Subsection 13.15(f).

The Service Provider will also:

(g) monitor the performance of its Suppliers and will promptly address and remedy any performance issues or disputes in a manner which has no adverse impact on the nature, quality or delivery of the Services;

(h) advise the Province if any aspect of its relationship with any Supplier will or may have a material impact on the relationship between the Service Provider and the Province and will seek the Approval of the Province in respect of any such material impact; and

(i) ensure that contingency plans are devised for the possibility of a Supplier failing to perform, needing to be replaced or terminating the Supplier contract with the Service Provider.

ARTICLE 14 – REPORTING AND ANNUAL OPERATING PLAN

14.1 Reporting Generally.

At all relevant times during the Term, the Service Provider will prepare or cause to be prepared, and will provide to the Province all reports and information as set forth in **Schedule 15** (*Reporting Requirements*). To the extent the Province requires reporting or information that is in addition to the general reporting requirements as set forth in **Schedule 15** (*Reporting Requirements*), the Province may request changes in writing and the Province and Service Provider will agree to the changes (including any additional fees or costs payable by the Province) through the Governance Process.

14.2 Annual Review of Reporting Requirements.

The Parties, through the Governance Process, will conduct an annual review of the then current reporting requirements under this Agreement and as set forth in **Schedule 15** (*Reporting Requirements*), as the same may be adjusted or amended from time to time, and will consider any changes to the current reporting requirements as the Parties may determine to be appropriate or desirable.

14.3 Changes to Reporting Requirements.

The Parties acknowledge that the general reporting requirements set forth in **Schedule 15** (*Reporting Requirements*) will evolve over the Term as a result of the addition of Services, and changes made through the Change Order Process. Subject to the provisions of **Schedule 15** (*Reporting Requirements*), the Service Provider agrees that any changes to the reporting and information requirements as contemplated under this Article 14 (*Reporting and Annual Operating Plan*), will not result in any increased Fees being payable by the Province. The Service Provider will at all times comply with the requirements of **Schedule 15** (*Reporting Requirements*), as the same may be adjusted or amended from time to time, and will provide suggestions to the Province as to improvements, enhancements and changes to the reporting and informational requirements set forth in **Schedule 15** (*Reporting Requirements*), for Approval by the Province through the Governance Process.

14.4 Format of Reports.

To the greatest extent possible, the Parties will use web-enabled reports and direct electronic access to data and query reports to meet the reporting and informational needs of the Province. The Parties agree to minimize the amounts and types of paper-based reporting.

14.5 Annual Operating Plan.

The Service Provider will, with the co-operation and assistance of the Province through the Governance Process, prepare and provide to the Province an annual operating plan (the **"Annual Operating Plan"**) that will be the planning document utilized in the provision of the Services, consisting of:

(a) a summary of the financial and operational changes for the Services in the next most immediate Contract Year, based upon the most current annual estimate available;

(b) a survey, review and analysis of the Systems and resources used to provide the Services;

(c) strategies to assist in realizing the objectives set forth in Article 2 (*Shared Vision, Guiding Principles and Objectives*);

(d) an analysis of the operations by the Service Provider with recommendations for changes to reduce costs, improve efficiencies and improve the satisfaction of the Province;

(e) a description of any planned changes to the Services for the following Contract Year, to the extent known;

(f) a description of any proposed material changes in the way the Service Provider wishes to provide the Services;

(g) a review and analysis of any projects performed over the previous Contract Year and summary of recommended projects for the next immediate Contract Year, to the extent known;

(h) any planned System or resource acquisitions (including changes to the number and type of Personnel currently providing the Services, whether by an increase or decrease in the number and FTEs of such Personnel) to provide for additional or decreased Service capacity and volume, or to otherwise exploit new technological or business process developments;

(i) a description of the risk profile of the Service Provider and, taking into account the Agreement Risk Register, a description of any material risks which could have an impact on the Service Provider's ability to provide the Services in accordance with Service Levels;

(j) a budget forecast setting out the estimated financial information in respect of the upcoming Contract Year, taking into account anticipated changes and information then available to the Service Provider; and

(k) such other matters as may be mutually agreed to by the Parties through the Governance Process.

14.6 Timing of Annual Operation Plan.

Unless otherwise agreed by the Province in writing with respect to its Annual Operating Plan, no later than 120 days prior to the commencement of the next Contract Year, the Service Provider will develop, prepare and provide to the Province, through the Governance Process, a proposed Annual Operating Plan for the next Contract Year. Within 30 days following receipt of the proposed Annual Operating Plan, the Province and the Service Provider, through the Governance Process, will jointly Approve the Annual Operating Plan or discuss any modifications or changes required thereto, and the Service Provider will provide the Province, through the Governance Process, with a revised Annual Operating Plan incorporating such modifications or changes. Any Dispute with respect to the Approval of the Annual Operating Plan will be resolved through the Dispute Resolution Process set forth in Article 27 (*Dispute Resolution*).

14.7 Annual Confirmation.

The Service Provider will deliver a certificate to the Province, together with the Annual Operating Plan referred to in Section 14.5 (*Annual Operating Plan*), that contains a confirmation signed by a senior officer or director of the Service Provider stating that:

(a) a review of the activities of the Service Provider during the preceding Contract Year has been made under the supervision of such senior officer or director; and

(b) based upon the review referred to in paragraph (a) above, and to the best of the knowledge of such senior officer or director, after having made reasonable inquiry, the Service Provider has fulfilled all of its obligations under this Agreement in all material respects (including, without limitation, the Privacy Obligations), and that no Material Breach (or any event which, with notice or lapse of time or both, could reasonably be determined to become a Material Breach) occurred during such Contract Year in respect of such obligations, and stating exceptions to any of the forgoing, if applicable.

ARTICLE 15 – MAINTENANCE OF RECORDS

15.1 Maintenance of Records.

The Service Provider will:

(a) maintain, in an electronic format wherever possible, accurate and complete Records related to this Agreement and to the Services to be provided by the Service Provider under this Agreement as may be required or necessary in order for:

(i) the Service Provider to meet any other reporting or record keeping requirements referred to in this Agreement, and

(ii) the Province to verify compliance by the Service Provider with the terms of this Agreement and to ascertain the accuracy of all financial matters in connection with this Agreement; and

(b) cause Subcontractors to maintain, in an electronic format wherever possible, complete and accurate Records of the transactions and activities undertaken by such Subcontractors as part of the Services as may be required or necessary in order for:

(i) the Service Provider to meet any other reporting or record keeping requirements referred to in this Agreement, and

(ii) the Province to verify compliance by the Subcontractor with the terms of this Agreement and to ascertain the accuracy of all financial matters in connection with this Agreement.

Without limiting the generality of the foregoing, the Service Provider will ensure that all New Records with respect to the performance of the Services will conform with GAAP (to the extent applicable), the requirements of Applicable Laws, and the Province's Administrative Records Classification System (ARCS) and Operational Records Classification Systems (ORCS), as may be amended from time to time and notified by the Province to the Service Provider, and subject to the Change Order Process.

15.2 Retention of Records.

The Service Provider will:

(a) retain all Records specified in Subsection 15.1(a), and ensure that Subcontractors retain all Records specified in Subsection 15.1(b), until directed by the Province in writing to dispose of or deliver to the Province such Records; and

(b) upon receipt of written direction from the Province, promptly dispose of or deliver to the Province the Records, including Records maintained by Subcontractors, as specified in the written direction.

15.3 Transferred Records.

The Province will arrange for the delivery of the Transferred Records to the Service Provider on or before the Hand-Over Date, in accordance with the records protocols described in the attached **Schedule 16** (*Records Protocols*).

15.4 Custody of Province Records.

The Service Provider will have Custody of the Province Records from the later of the date that Custody is granted to the Service Provider by the Province or the date of the creation or coming into existence of the Province Records, in accordance with and subject to the provisions of this Agreement.

15.5 Control of Province Records.

The Province Records will remain the property and in the Control of the Province, and accordingly, they will continue to remain subject to the requirements of the *Information Management Act, Electronic Transactions Act, Freedom of Information and Protection of Privacy Act* and all Province Policies related, thereto, and the *Interpretation Act*. The Service Provider will comply with the requirements thereof in respect of the Province Records as though each such act or Province Policy applied to the Service Provider directly. In addition, the Service Provider will:

(a) not sell, transfer to the physical custody of another jurisdiction or Person, destroy or otherwise dispose of the Province Records without the Approval and direction of the Province, or as contemplated under this Agreement, and then, only in accordance with the protocols described in **Schedule 16** (*Records Protocols*), if any, and the provisions of Article 17 (*Privacy, Security and Confidentiality*);

(b) not under any circumstances, and without limiting the provisions of Article 17 (*Privacy, Security and Confidentiality*), use or disclose the Province Records except:

(i) on the prior written directions, or with the Approval, of the Province (which directions or Approval may be given by the Province at any time, in its sole discretion, or in response to a written request from the Service Provider specifying the particulars of the proposed use or disclosure of such Records), or

(ii) through the ordinary course provision of the Services as contemplated under the terms of this Agreement and in accordance with applicable Province Policies notified to the Service Provider from time to time;

(c) return the Province Records to the Province on the written instructions of the Province or as may otherwise be required or permitted in accordance with the provisions of this Agreement;

(d) at the request and expense of the Province, provide written or electronic copies of the Province Records for storage on the premises of the Province or of any applicable regulatory body or agency, as the Province may require;

(e) maintain the safe keeping and integrity of the Province Records in accordance with the records protocols set forth in the attached **Schedule 16** (*Records Protocols*) and with the provisions of Article 17 (*Privacy, Security and Confidentiality*);

(f) store all Province Records separately from other records of the Service Provider and identify them as Province Records; and

(g) provide the Province with copies of the Province Records, and permit the Province to have access to the Province Records with such access being in accordance with the provisions of Section 22.1 (*Access Rights*)).

The Province will comply with its obligations to the Service Provider in respect of the Province Records as set forth in **Schedule 16** (*Records Protocols*), if any.

15.6 Final Return of Province Records.

Upon Termination of this Agreement, the Service Provider will deliver all the Province Records then in its Custody to the Province, including the performance of any obligations, steps or other requirements set forth in the Termination Assistance Plan. The Service Provider may, subject to the terms of Article 17 (*Privacy, Security and Confidentiality*), maintain sufficient copies of financial and other records following Termination of this Agreement, as it is required to maintain for tax and other statutory reasons in accordance with Applicable Laws.

15.7 Costs of Record Keeping.

The Service Provider acknowledges and agrees that all costs of record keeping contemplated in this Article 15 (*Maintenance of Records*) will be the responsibility of the Service Provider, and that compensation to the Service Provider in respect thereof is included in the Fees. For greater clarification, the Province Records delivered by the Service Provider to the Province at the request of the Province or pursuant to Sections 15.5 (*Control of Province Records*) and 15.6 (*Final Return of Province Records*), or **Schedule 16** (*Records Protocols*), if any, will thereafter be the responsibility (both financially and as to storage obligations) of the Province, unless the Province Records are returned to the Service Provider during the Term in accordance with the provisions of this Agreement.

15.8 Storage and Disposal of Records.

The Service Provider will transfer all Province Records identified by the Service Provider for storage, destruction or disposal to the Province in accordance with the record protocols more particularly described in **Schedule 16** (*Records Protocols*), if any, or as otherwise directed to do so by the Province in writing. The Province will destroy any or all of the Province Records if the Province determines it to be appropriate to do so pursuant to approved information schedules. The Service Provider will not, without the Approval of the Province, dispose of or otherwise destroy the Province Records in its Custody.

15.9 Locations of Records.

Unless provided otherwise in this Agreement, and subject to the provisions of Section 7.1 *(Overview of Service Locations)*, the following provisions will apply in respect of all Province Records that contain any Personal Information:

(a) the Service Provider will maintain the Province Records in Canada at locations notified by the Service Provider to the Province in writing pursuant to Section 7.2 (*Service Locations*);

(b) the Service Provider will not relocate any of the Province Records maintained pursuant to this Section without first notifying the Province in writing; and

(c) at no time will any Person have remote access to any Personal Information (including on any backup data) contained in the Province Records from any location outside of Canada, except as expressly Approved by the Province.

ARTICLE 16 – FEES AND PAYMENT TERMS

16.1 Fees.

In consideration of the performance of the Services, the Province will pay the Fees to the Service Provider. Except as otherwise expressly set forth in this Agreement, the Province will not be obligated to pay any other amounts to the Service Provider for the Service Provider's performance of the Services and its other obligations under this Agreement. Any expenses that the Service Provider incurs in the performance of the Services are included in the Fees, and accordingly, the Service Provider's expenses will not be separately reimbursable by the Province unless specifically provided otherwise under, or agreed pursuant to, the terms of this Agreement.

16.2 Invoices.

The Service Provider will provide the Province with monthly invoices, that conform to the payment requirements set forth in Section 16.3 (*Method of Payment*s) and **Schedule 17** (*Fees and Economic Model*), for all Fees that are payable from time to time by the Province pursuant to this Agreement. Each invoice will be provided in hardcopy form, and if requested by the Province in electronic form compatible with the Province's financial computer systems, and in either case with the level of detail as may be requested by the Province from time to time to satisfy the Province's internal accounting requirements. The payment of any invoice by the Province will not be deemed to be Approval or acceptance of such invoice, and no such payment will preclude the Province from contesting any amount set forth in an invoice at any later date in accordance with the provisions of Section 16.8 (*Disputed Payments*).

16.3 Method of Payment.

The Province will pay the Fees to the Service Provider on the following terms:

(a) the Fees will be payable monthly, in arrears, prior to the date which is 30 days after receipt and approval by the Province of an invoice from the Service Provider in a form that is in compliance with this Agreement, such invoice not to be delivered by the Service Provider to the Province before the end of the Service period for which it relates;

(b) notwithstanding the payment date set forth above, interest on any overdue amounts will only be payable at the rates and in respect of the periods as set forth in the *Interest on Overdue Accounts Payable Regulation* (B.C. Reg. 215/83), as amended or replaced from time to time, and where such regulation has been revoked and not replaced, at the last rate and time period calculated thereunder; and

(c) all Fees calculated or otherwise set forth in this Agreement are inclusive of all applicable Taxes unless otherwise expressly stated in this Agreement (including, without limitation, the provisions of Section 16.4 (*Taxes*)).

16.4 Taxes.

(a) The Service Provider will collect, remit to the appropriate Taxing Authorities and report to the Province on all Taxes related to the Services to the extent that the same are included in the Fees, and to the extent that any of the Services attract PST, the Service Provider will add the same to the invoices for the Fees. The Service Provider will be responsible for and will arrange to pay all other Taxes relating to the Services including Taxes based on its own capital, net income, employment taxes of its own employees and for taxes on any property it owns. Notwithstanding the provisions of this Section 16.4 (*Taxes*) of the Agreement, the Province will be responsible for new Taxes that are imposed during the Term provided that such new Taxes are in the nature of sales, use, value added, goods and services, provincial sales or similar taxes imposed on Service Provider's products and services. For greater certainty, the Service Provider is responsible for any and all Taxes, including new Taxes, impacting the Service Provider's internal costs.

(b) The Service Provider must:

(i) apply for, and use reasonable efforts to obtain, any available refund, credit, rebate or remission of federal, provincial or other Tax imposed on the Service Provider as a result of this Agreement that the Province has paid or reimbursed to the Service Provider or agreed to pay or reimburse to the Service Provider under this Agreement; and

(ii) immediately on receiving, or being credited with, any amount applied for under paragraph (i) above, remit that amount to the Province.

16.5 Procedure for Obtaining Refund, Credit or Discount.

If the Province is entitled to a refund, credit or discount pursuant to any provision of this Agreement (including any Change Order), the Service Provider will credit such amount against the immediately following invoice provided under this Agreement and will deliver to the Province a credit note that indicates the credit, its amount and the Section of this Agreement or the applicable Change Order pursuant to which the credit entitlement arose. If the refund, credit or discount is larger than the amount of such invoice, the remaining amount of the refund, credit or discount due will be credited against successive future invoices; provided, however, that if any portion of the refund, credit or discount owed has not been paid to the Province upon Termination, the Service Provider will pay such outstanding credit amounts to the Province within 30 days of the Termination Date.

16.6 Right of Set-Off.

Any amounts owed to the Province:

(a) by the Service Provider under this Agreement or otherwise in respect of the Services, including any Fee Rebate Credits and Basic Infrastructure Credits, but excluding any amounts under Dispute;

(b) by the Service Provider under any other agreement entered into now or in the future between the Service Provider or any of its Affiliates (delivering Services to the Province) and the Province that is not related to this Agreement, but excluding amounts in dispute thereunder in accordance with its terms; and

(c) by the Service Provider's Affiliates pursuant to the Guarantees,

may be set-off by the Province against Fees and other charges payable by the Province to the Service Provider under this Agreement, or may be deducted from any sum due or which at any time may become due to the Service Provider under this Agreement, provided, however, that any amounts set-off pursuant to Subsection 16.6(b) will not exceed $1,000,000 in the aggregate per Contract Year. To the extent that there are any amounts owing by the Service Provider to the Province upon the Termination of this Agreement, whether by credits or otherwise, and there are no further Fees to set-off such amounts, then the Service Provider will pay such amounts directly to the Province. The Province will give the Service Provider notice of such set-off under Subsection 16.6(b) above.

16.7 Proration of Payments.

If any period in which any payment is to be made is less than the full period in respect of which the payment is due, then the payment will be prorated on a daily basis based on the number of days in the actual period.

16.8 Disputed Payments.

Notwithstanding the payment of any Fees, the Province may dispute in good faith any amounts contained on its invoice within 90 days of receipt of the invoice from the Service Provider. Notwithstanding the foregoing, if any overpayments by the Province should later be discovered as a result of an audit or investigation under Article 22 (*Audit Rights*) or otherwise, then the Province will be entitled to recover the amount of such overpayments by way of a Dispute, notwithstanding the fact that such overpayments are discovered after the expiry of such 90 day period. In addition, the Province may withhold payment of a particular portion of Fees that the Province reasonably Disputes, subject to the following conditions:

(a) any amount so withheld will not exceed the amount alleged to be in error or not properly invoiced or payable, or for which no Services were performed;

(b) the Province provides to the Service Provider concurrently with the withholding of the disputed Fees, a detailed written explanation of the basis of the Dispute; and

(c) the Parties will promptly settle the Dispute regarding such amount in accordance with the Dispute Resolution Process set forth in Article 27 (*Dispute Resolution*) and the Province will pay any amount required to be paid by the Province as settlement of the Dispute in accordance with Section 16.3 (*Method of Payment*).

Any payment disputes will not be deemed to be a breach by the Province of this Agreement and will not affect the Service Provider's obligation to provide the Services under this Agreement at the agreed minimum Service Levels or in accordance with any other of the Service Provider's obligations under this Agreement. No interest will be payable with respect to any disputed amounts.

16.9 Withholding of Amounts.

Without limiting any other provision of the Agreement, the Province may withhold from any payment due to the Service Provider an amount sufficient to indemnify, in whole or in part, the Province and its employees and agents against any liens or other third-party claims or losses that have arisen or could arise in connection with the provision of the Services under the Agreement, provided, however, that an amount withheld under this Section must be promptly paid by the Province to the Service Provider upon the basis for withholding the amount having been fully resolved to the satisfaction of the Province. Interest must not be charged on any payments withheld in accordance with the Agreement.

16.10 Interest on Overpayments.

The Province may charge the Service Provider interest on any overpayment collected by the Service Provider or other payments required under the Agreement to be paid to the Province at the rate prescribed and as calculated in accordance with the *Interest on Overdue Accounts Receivable Regulation* (B.C. Reg. 214/83), as amended or replaced from time to time, and where such regulation has been revoked and not replaced, at the last rate and time period calculated thereunder.

16.11 Most Favoured Pricing.

The Service Provider hereby represents, warrants and covenants that all Fees will be at least as low as those charged for similar services of similar scope and quantity provided by any member of the Service Provider Group to any of its other customers as calculated at the time such Change Order was issued ("**MFC Pricing**"). Any adjustment to Fees to which the Province may be entitled under this Section 16.11, shall be applied exclusively on a prospective basis. The terms of this Section 16.11 shall not apply to any Fees charged for Services already rendered. For greater clarity, there shall be no retroactive adjustment made to the Fees under any circumstances.

ARTICLE 17 – PRIVACY, SECURITY AND CONFIDENTIALITY

17.1 Privacy Obligations.

The Service Provider will at all times, and will ensure that its Personnel, and to the extent applicable in accordance with the provisions of **Schedule 18** (*Privacy Schedule*) its Subcontractors and External Personnel, comply with the obligations and requirements set forth in **Schedule 18** (*Privacy Schedule*), as such are amended from time to time in accordance with this Agreement (the "**Privacy Obligations**"). The Service Provider will, at the request of the Province, participate in and/or update, as applicable, a Privacy Impact Assessment and/or a security threat and risk assessment in accordance with Province Policies, provided, however, that the Province will retain full control and authority over the content of all such assessments and will be responsible for determining the final content of all such assessments.

17.2 Foreign Disclosures.

The Service Provider expressly acknowledges and agrees that it: (a) is subject to the laws of British Columbia and the laws of Canada applicable in British Columbia with respect to this Agreement and the performance of the Service Provider's obligations under this Agreement; (b) is not subject to any Foreign Disclosure Laws including, without limitation, any orders, directives, rulings, requirements, judgments, injunctions, awards or decrees, decisions, or other requirements issued pursuant to any Foreign Disclosure Laws, or any directions or requests from any Affiliate of the Service Provider in respect of the same, and in each case, related to any Personal Information (each a "**Disclosure Order**"); and (c) will comply with the provisions of the Privacy Obligations relating to foreign demands for disclosure, in respect of any Disclosure Order it receives.

17.3 Corporate Structure and Corporate Chart.

As of the date of this Agreement, and as at the Hand-Over Date, the corporate organizational chart, indicating all shareholdings to the ultimate indirect shareholder (other than the shareholdings of a public company listed on a recognized stock exchange) of the Service Provider, the Performance Guarantor and the Corporate Guarantor (each a "**Corporate Structure**"), are as set forth in **Schedule 20** (*Corporate Chart*). Throughout the Term, the Service Provider will provide the Province with an updated Corporate Structure from time to time forthwith upon any changes being made thereto; provided that the requirements of this provision will in no way provide the Service Provider with any relief from, or be deemed to be a waiver of, the provisions of Section 31.2 (*Assignment by Service Provider*). Unless agreed otherwise by the Province, for so long as the Service Provider or the Performance Guarantor has, or could have, disclosure or use of, or access to any Personal Information in connection with the performance of the Services under this Agreement, or in connection with the application of the Performance Guarantee, as the case may be, the Service Provider will be and remain under the direct Corporate Control of a Canadian Entity, and any failure of the Service Provider to remain so controlled will be deemed to be a Material Breach under Section 28.1 (*Service Provider Material Breach*), and will give rise to the right of the Province to terminate this Agreement pursuant to Section 28.2 (*Remedies of the Province for Material Breach by the Service Provider*).

17.4 Canadian Entities.

(a) Throughout the Term, the Service Provider will ensure that the Access Subcontractors who are not individuals are corporations, partnerships, limited partnerships, or other similar entities that are incorporated or created under the laws of Canada or under the laws of any Province of Canada (each a "**Canadian Entity**"), and that the Access Subcontractors who are individuals are not Foreign Employed Individuals. Unless agreed otherwise by the Province, and for so long as any Access Subcontractor has or could have any access to, or use or disclosure of, any Personal Information in connection with the performance of the Services under this Agreement, the Service Provider will ensure that:

(i) in the case of Access Subcontractors who are individuals, the Access Subcontractor are not, and do not become, a Foreign Employed Individual; and

(ii) in all other cases, having regard for paragraphs (b) and (c) below, the Access Subcontractors are and remain a Canadian Entity, and unless otherwise Approved by the Province, a Canadian Entity that is Corporately Controlled by a Canadian Entity or by individuals who are not Foreign Employed Individuals.

(b) The Service Provider will cause all Access Subcontractors to provide the Service Provider with immediate notice if, at any time during the Term, the Access Subcontractor is not in compliance with the provisions of this Section 17.4 (*Canadian Entities*) or, subject to confidentiality requirements, may not in the future be in compliance with provisions of this Section 17.4 (*Canadian Entities*). Upon receipt of such notice from an Access Subcontractor, the Service Provider will:

(i) immediately notify the Province, in writing;

(ii) obtain confirmation from the Access Subcontractor that the Access Subcontractor continues to be in compliance with the Privacy Obligations (other than provisions that are substantively the same as this Section 17.4 (*Canadian Entities*)) and that such compliance will continue; and

(iii) proceed with the orderly termination of the Access Subcontractor having regard for the Service Provider's ongoing service obligations to the Province Entities and the potential risk of any breach of the provisions of this Article 17 (*Privacy, Security and Confidentiality*), other than this Section 17.4 (*Canadian Entities*) and **Schedule 18** (*Privacy Schedule*).

17.5 Acknowledgement.

The Service Provider acknowledges that in the performance of the Services, the Service Provider will be given access to and Custody of highly confidential and sensitive information, including Province Confidential Information, and that the confidentiality, privacy and security of such information, and in particular the Personal Information, is of paramount importance to the Province.

17.6 Safeguarding Confidential Information.

Each of the Parties acknowledges and agrees that all Confidential Information of the other Party, whether received or created before or after the Hand-Over Date, will be received in the strictest confidence and will be held and used only in accordance with and subject to the terms of this Agreement. A Party receiving the Confidential Information of the other Party will retain such information in confidence and will treat such information in accordance with the terms of this Agreement (including the Privacy Obligations, Section 17.18 (*Security*), **Schedule 19** (*Security Schedule*)), and with a degree of care no less than the degree of care that the receiving Party employs for the protection of its own Confidential Information of a similar nature; provided that in any event the Service Provider will use a degree of care to protect such Confidential Information that is appropriate to the nature of the information and is in accordance with prudent industry practice for contact centre and data hosting services in Canada. Without limiting the generality of the foregoing, and subject to the Change Order Process, the Service Provider further agrees to comply with such confidentiality, privacy and security Directives as issued by the Province from time to time. For greater certainty, the Province agrees to protect the Service Provider Confidential Information that the Province receives with a degree of care that is no less than the degree of care used by the Province to protect its own confidential information.

17.7 Permitted Disclosure and Use of Confidential Information.

Subject to the Privacy Obligations and Section 17.2 (*Foreign Disclosures*), a Party may use or disclose relevant aspects of the other Party's Confidential Information:

(a) only to the extent necessary to perform its obligations and exercise its rights under this Agreement;

(b) only to its Personnel, Subcontractors, External Personnel and professional advisors (and in the case of the Province, its employees, contractors, professional advisors and agents) to the extent that such disclosure and use thereof is necessary for the performance of the receiving Party's rights or obligations under this Agreement, and provided that such Persons have an actual need to know such information and have signed non-disclosure agreements as required by this Agreement (to the extent applicable), it being agreed between the Parties that the provisions of this paragraph will in no way restrict or otherwise limit either Party from disclosing the Confidential Information of the other Party, to the extent necessary, to the receiving Party's legal advisors in the course of obtaining legal advice in connection with this Agreement, provided that the solicitor client privilege with respect thereto is not waived by the receiving Party in respect of such disclosure (for greater certainty, "professional advisors" of the Province includes the internal or external auditor, inspector, investigator, representative or other professional advisor appointed by the Province under Article 22 (*Audit Rights*)); and

(c) in the case of a disclosure of the Service Provider's Confidential Information by the Province, to any of the following:

(i) employees, agents and independent contract personnel of the Province and Other Service Providers if and to the extent that such Persons need to know such Confidential Information for purposes relating to the receipt by the Province of the Services or of related services provided by Other Service Providers in the ordinary course;

(ii) third party service providers (including a Benchmarker) if and to the extent that such Persons need to know such Confidential Information in connection with: (A) the solicitation by the Province of proposals from third party service providers for related or alternative systems and services (including as part of a request for proposal); (B) the procurement by the Province of additional services, hardware, software or systems; or (C) the conduct of a Benchmarking; or (D) the planning or implementation by the Province of a transition from all or part of the Services to an Alternative Service Provider, alternative solution or alternative services; provided, however, that such disclosure does not include any of the Service Provider's costing or other internal financial information,

provided that any such Person has entered into a written agreement with the Province that includes confidentiality obligations in respect of such Confidential Information of the Service Provider that are no less stringent than those in favour of the Service Provider contained in this Article 17 (*Privacy, Security and Confidentiality*).

17.8 Province Permitted Disclosure.

Notwithstanding the provisions of this Article 17 (*Privacy, Security and Confidentiality*), the Province may disclose the Service Provider Confidential Information as may be required by the provisions of any Applicable Laws, including the *Freedom of Information and Protection of Privacy Act* (British Columbia), as contemplated in Section 17.10 (*Disclosure Compelled by Law*) and as required by the Province in order to prevent any actual or reasonably anticipated disclosure of Personal Information. For purposes thereof, the Service Provider acknowledges that the Non-Disclosure Agreements referred to in

Section 17.7 (*Permitted Disclosure and Use of Confidential Information*) will be subject to the requirements and obligations of that Act.

17.9 Exceptions to Obligation of Confidentiality.

Subject to the Privacy Obligations and Section 17.2 (*Foreign Disclosures*), the obligations of confidentiality contained in this Article 17 (*Privacy, Security and Confidentiality*) will not apply to any Confidential Information of the other Party to the extent that the receiving Party can reasonably demonstrate that such Confidential Information:

(a) was, at the time of disclosure to the receiving Party, in the public domain;

(b) after disclosure to the receiving Party, is published or otherwise becomes part of the public domain through no fault of the receiving Party, and where the receiving Party is the Service Provider, through no fault of the Service Provider's Affiliates or Subcontractors;

(c) was in the possession of the receiving Party at the time of disclosure to the receiving Party, and was not the subject of a pre-existing confidentiality obligation;

(d) was disclosed independently to the receiving Party by a third party who, insofar as the receiving Party was aware, was not subject to any confidentiality obligations in respect thereof, and in any event, provided that such information was not of a nature that had it been the Confidential Information of the receiving Party, the receiving Party would have required that it be kept confidential;

(e) was independently developed by the receiving Party without the use of any Confidential Information of the other Party;

(f) is disclosed with the prior Approval of the other Party, but only to the extent Approved by the other Party;

(g) is Service Provider Confidential Information and such information is required to be disclosed by the Province under the *Freedom of Information and Protection of Privacy Act* (British Columbia); or

(h) is Service Provider Confidential Information and such information is required to be disclosed by the Province in order to comply with Province Policies.

17.10 Disclosure Compelled by Law.

Subject to the Privacy Obligations and Section 17.2 (*Foreign Disclosures*), a Party will not be considered to have breached its confidentiality obligations under this Article 17 (*Privacy, Security and Confidentiality*) for disclosing any Confidential Information of the other Party to the extent that such disclosure is required to satisfy any Applicable Laws and, subject to Section 17.11 (*Disclosure of Personal Information*), expressly excludes Personal Information, provided that the Party required to make such disclosure (the "**Compelled Party**"):

(a) promptly upon receiving any such request and within a reasonable time prior to disclosure (if possible), notifies the other Party of the terms and circumstances of the requested disclosure;

(b) consults with the other Party regarding the nature and scope of such request and the response or other position that the Compelled Party intends to take with respect to such request;

(c) does not obstruct or interfere with, and to the extent practical, permits the other Party to obtain, a protective order or other remedy to prevent, object to, enjoin, narrow the scope of, or otherwise contest the requested disclosure;

(d) if the other Party is unable to obtain a protective order or other similar remedy within a time period that is appropriate in the circumstances, then the Compelled Party will only disclose such of the Confidential Information that it is legally obligated to disclose; and

(e) makes and reasonably pursues a request, that is reasonable and customary in the circumstances, to the applicable Governmental Authority, for confidential treatment of the information to be disclosed pursuant to such Applicable Laws.

17.11 Disclosure of Personal Information.

In respect of any Province Confidential Information that is Personal Information, the Service Provider will not disclose to any Person or allow any Person to access or use, and will ensure that none of the Personnel, Subcontractors, or External Personnel disclose to any Person or allow any Person to access or use, the Personal Information, except:

(a) if, and in the manner expressly permitted pursuant to, the Privacy Obligations or to the provisions of the *Freedom of Information and Protection of Privacy Act* (British Columbia);

(b) as expressly Approved by the Province; or

(c) pursuant to an order of a Canadian court of competent jurisdiction in accordance with Section 17.12 (*Court Order Disclosure*).

17.12 Court Order Disclosure.

Subject the Service Provider's obligations under **Schedule 19** (*Security Schedule*), if the Service Provider is required, in order to satisfy any Applicable Laws, to disclose to any Person or to allow any Person to have access to any Personal Information other than as permitted in Subsections 17.11(a) and (b), then the Service Provider will not disclose or allow access to the same unless and until the Service Provider:

(a) has provided the Province with written notice of such requirement;

(b) the Service Provider and the Province (at the Province's option) have appeared before a Canadian court having competent jurisdiction; and

(c) such Canadian court has ordered that the Service Provider disclose or allow access to the Personal Information.

17.13 FOIPPA Inspections.

The Service Provider acknowledges that under the *Freedom of Information and Protection of Privacy Act* (British Columbia), the Commissioner has the power to obtain information and evidence from persons

other than the Province in the course of conducting an investigation or an inquiry under that Act. Accordingly, the Service Provider will cooperate with respect to investigations or inquiries of the Commissioner under that Act regarding the Province or Personal Information related matters, and in respect of any information to which the Commissioner is entitled to under such Act.

17.14 Notification of Unauthorized Use of Confidential Information.

Each Party will:

(a) promptly notify the other Party of any unauthorized possession, use, access or disclosure of the other Party's Confidential Information by any Person, or attempt to effect the same, upon such information becoming known to such Party;

(b) promptly furnish the other Party with details of such unauthorized possession, use, access or disclosure, or attempt to effect the same, and assist the other Party in investigating or preventing the recurrence of any unauthorized possession, use, access or disclosure, or attempt to effect the same, of the other Party's Confidential Information;

(c) cooperate with the other Party in any litigation and investigation against third parties deemed necessary by the other Party to protect its Confidential Information, to the extent such litigation or investigation is related to this Agreement;

(d) reimburse the other Party for any direct expenses incurred by such other Party as a result of such other Party's compliance with paragraphs (a) through (c) above, unless such other Party has directly or indirectly caused or is otherwise responsible for any unauthorized possession, use, access or disclosure of the Party's Confidential Information, in which case such other Party will be solely responsible for any and all direct expenses incurred as a result of its compliance with this Section; and

(e) promptly use best efforts to prevent a recurrence of any unauthorized possession, use, access or disclosure of the other Party's Confidential Information, where such Party has directly or indirectly caused or is otherwise responsible for any unauthorized possession, use, access or disclosure of the other Party's Confidential Information by any Person.

17.15 Breach of Confidentiality.

In the event of a breach of this Article 17 (*Privacy, Security and Confidentiality*), and to the extent available pursuant to Applicable Laws (including, without limitation, the *Crown Proceeding Act* (British Columbia)), the non-defaulting Party will be entitled to preliminary and permanent injunctive relief, as well as an equitable accounting of all profits and benefits arising out of such breach, which remedy will be in addition to any other rights or remedies to which the Party may be entitled under this Agreement or otherwise under any Applicable Laws.

17.16 No Rights to Confidential Information.

Nothing contained in this Article 17 (*Privacy, Security and Confidentiality*) will be construed as obligating a Party to disclose its Confidential Information to the other Party, or as granting or conferring on a Party, expressly or implied, any right, title or interest or any licence in or to the Confidential Information of the other Party.

17.17 Ownership of Province Confidential Information.

The Province Confidential Information is and will remain the property of the Province. Subject to applicable security procedures and System availability, the Province will have complete and unrestricted Control and access at all times of and to the Province Confidential Information and, as part of the Services, the Service Provider will provide access thereto as may be requested by the Province from time to time, including such access as will enable the Province to make complete copies of all the Province Confidential Information. Control of the Province Confidential Information is vested solely with the Province and nothing in this Agreement will in any way be construed to grant Control of the Province Confidential Information to the Service Provider or any other Person. The Service Provider will at all times adhere to the directions of the Province with respect to the Province Confidential Information of the Province. On the Province's request, at any time during the Term or upon any Termination, the Service Provider will promptly return to the Province, in the format and on the media requested by the Province, all or any part of the Province Confidential Information, and erase or destroy all or any part of the Province Confidential Information in the Service Provider's or in any Service Provider Group member's possession, or in each case to the extent so requested by the Province.

17.18 Security.

The Service Provider will: (a) comply with **Schedule 19** *(Security Schedule*); (b) in addition to its security arrangement obligations under **Schedule 19** *(Security Schedule*), make any other reasonable security arrangements to protect Province Material and Province Confidential Information from unauthorized access, collection, use, disclosure, alteration or disposal; and (c) without limiting the foregoing, ensure that the SP Technology Platforms and other Service Provider systems and facilities used to provide the Services include data back-up and restore capabilities and network and other security measures that comply with the **Schedule 19** (*Security Schedule*).

ARTICLE 18 – BUSINESS CONTINUITY

18.1 General.

At all times, the Service Provider will comply and, to the extent applicable, will ensure that its Subcontractors comply, with the obligations and requirements set forth in **Schedule 21** (*Business Continuity*).

ARTICLE 19 – TECHNOLOGY, ARCHITECTURE AND IMPROVEMENTS

19.1 Architecture Standards.

In addition to the obligations otherwise set forth in this Agreement, the Service Provider will implement the Province's existing technical architecture standards and guidelines to the same extent as such standards and guidelines are themselves complied with by the Province as of the Hand-Over Date, as such standards are updated or revised by the Province from time to time (subject to the Change Order Process). The Service Provider will advise the Province of any significant incompatibilities known to the Service Provider that would result from changes to such standards.

19.2 Technology Improvements and Currency.

The Service Provider will provide the Services by maintaining the supporting technologies at an appropriate level of currency and in a manner that will support the Service Provider's and the Province's efforts to achieve the objectives set forth in Section 2.3 (*Objectives of the Parties*), and to comply with the

Service Levels and the Privacy Obligations. Except as specifically provided otherwise in this Agreement, the Service Provider will determine the appropriate levels of technology currency, and throughout the Term will identify and implement technology improvements, all with the Approval of the Province. Except where the Province agrees in writing that such implementations are not necessary, the Service Provider will report to the Province at the end of each Contract Year throughout the Term, demonstrating its actions or steps that the Service Provider has taken to meet its obligations relating to improvements in technology set forth in this Section 19.2 (*Technology Improvements and Currency*). Technology improvements identified by the Service Provider as required pursuant to this Section 19.2 (*Technology Improvements and Currency*) shall be included in the Annual Operating Plan, under the heading "Technology Improvements and Currency").

19.3 Material Technology Change.

Before making any changes to the material suppliers of technology to be used by the Service Provider in performing the Services, the Service Provider will consult with the Province in respect thereof through the Governance Process, and will obtain the Approval of the Province to any such change, unless the requirement to obtain such Approval is waived in writing by the Province on a case by case basis. The Province's Approval of any request by the Service Provider to change a material supplier of technology used by the Service Provider in performing the Services, will not be unreasonably withheld.

19.4 Technology Presentations.

At the Province's request and cost, the Service Provider will facilitate the attendance of the Province personnel at any presentation offered to the Service Provider by any technology vendor whose software, equipment or materials are used, or are being considered by the Service Provider for use, directly or indirectly in a material manner in the provision of Services, except in the event that the Service Provider cannot obtain the consent of such technology vendor.

19.5 System Contaminants.

The Service Provider will implement appropriate and reasonable technical safeguards for all Systems provided or used by it, or by its Subcontractors or Suppliers, to protect against viruses, Trojan horses, worms, backdoors, shutdown mechanisms or similar software, codes or programs which are intended to, are likely to or have the effect of disabling, denying authorized access to, damaging or destroying, corrupting or affecting the provision of the Services or the normal use of any of the Service Provider's or the Province's Systems, networks or software, or any data on or used in conjunction therewith (each a **"Contaminant"**). The Service Provider will not insert, or knowingly permit any third party to insert, a Contaminant into any of the Systems used to provide the Services. In the event the Service Provider becomes aware of the existence of a Contaminant, it will notify the Province thereof and will remove the Contaminant in a prompt and co-ordinated manner so as to minimise the spread and impact of such Contaminant.

19.6 System Protection Features.

To the extent that any Software (either SP Proprietary Software or SP Licensed Software), including any Modifications thereto, that is, or at any time hereafter may be, utilized in providing Services under this Agreement contains protection features designed to prevent copying or the use of such Software or other unauthorized access, to disable or erase Software or data, to shut down all or any portion of the Services or to perform other like actions, the Service Provider will, in the case of:

(a) SP Proprietary Software, provide the Province with the necessary key, password or other means for the Province to have continued access and use of such Software, in accordance with the provisions of Article 20 (*Intellectual Property and Proprietary Rights*); and

(b) SP Licensed Software, provide the Province with the necessary key, password or other means for the Province to have continued access and use of such Software, subject to license terms negotiated by the Service Provider, provided that the Service Provider will use commercially reasonable efforts to obtain any third party rights necessary to give effect to the foregoing and where the Service Provider is not able to obtain such third party rights, then the Service Provider will inform the Province, in writing, and the Province shall have the right to Approve the use of such Software.

ARTICLE 20 – INTELLECTUAL PROPERTY AND PROPRIETARY RIGHTS

20.1 Ownership of Province Assets.

Except as expressly provided in this Agreement, the Province will be and remain the exclusive owner of all rights, title and interest in and to all assets and property provided by the Province to the Service Provider, including any assets to which the Service Provider is given access to by the Province from time to time during the Term.

20.2 Ownership of Province Materials.

(a) As between the Parties, the Province will be and remain the sole and exclusive owner of all rights, title and interest, including all Intellectual Property Rights, in and to (collectively, "**Province Materials**"):

(i) all Province Data;

(ii) all Province Marks;

(iii) all Province Software;

(iv) all Materials procured, created or developed by the Province (alone or jointly with another Person) or procured, created or developed for, or licensed to, the Province by a Person (other than the Service Provider, Subcontractors, Personnel or External Personnel under this Agreement), whether or not such activities occurred prior to entering into this Agreement or independent of this Agreement;

(v) all New Materials;

(vi) all reports, data and all other information created, generated, output or displayed as a result of the use or receipt of the Services;

(vii) all Modifications of the foregoing, whether made by or on behalf of the Province or the Service Provider, separately, jointly or with any other Person (including any of the Service Provider, Subcontractors, Personnel or External Personnel), and including where the foregoing or any Modification thereto has been incorporated into any of the SP Materials.

(b) Except as expressly provided otherwise under this Agreement, nothing in this Agreement or in the relationship between the Parties will confer any right or license in or upon the Service Provider in respect of the Province Confidential Information.

(c) All right, title and interest, including all Intellectual Property Rights, in the Province Materials will vest in the Province, immediately upon creation and regardless of the state of completion of such Province Materials.

(d) The Service Provider will acquire no rights to any Province Materials other than the license rights expressly granted in Section 20.7 (*License to Use Province Materials for the Services*).

(e) The Service Provider agrees to keep all Province Materials and all of the real and personal property of the Province, and the Services, free and clear of all Liens in accordance with Section 33.6 (*No Liens or Charges Against Province Assets*).

(f) The Service Provider will permit the Province to always have full, free and unfettered access to the Province Materials, even if there is a Dispute between the Parties.

20.3 Ownership of SP Materials.

(a) As between the Parties, the Service Provider will be and remain the sole and exclusive owner of all rights, title and interest, including all Intellectual Property Rights, in and to the following, other than Province Materials (collectively, the "**SP Materials**"):

(i) all Service Provider Marks;

(ii) all SP Technology Platforms (including all SP Software);

(iii) all Materials procured, created or developed by the Service Provider (alone or jointly with another Person other than the Province or a Person on behalf of the Province) or procured, created or developed for, or licensed to, the Service Provider by another Person (other than the Province or a Person on behalf of the Province) that were: (A) pre-existing Materials at the time of execution of this Agreement; or (B) procured, created or developed independently of this Agreement; and

(iv) all Modifications to the foregoing that are used in connection with the Services provided under this Agreement, whether made by or on behalf of the Service Provider (or its Subcontractors or its or their Affiliates, as the case may be) or the Province, separately or jointly or with any other Person, and including where any Modifications have been incorporated into any of the SP Software.

(b) Except as expressly provided otherwise under this Agreement, nothing in this Agreement or in the relationship between the Parties will confer any right or license in or upon the Province in respect of the Service Provider Confidential Information.

(c) All right, title and interest, including all Intellectual Property Rights, in the SP Materials will vest in the Service Provider, immediately upon creation and regardless of the state of completion of such SP Materials.

(d) The Province will acquire no rights to any SP Materials other than the licence and assignment rights expressly granted under or in respect of this Agreement.

20.4 Assignment of Intellectual Property.

If, notwithstanding Section 20.2 (*Ownership of Province Materials*) and Section 20.3 (*Ownership of SP Materials*), either Party (the "**Assigning Party**") retains, acquires or owns any right, title or interest, including any Intellectual Property Rights, in or to any Intellectual Property Rights, in or to anything that is to be owned by the other Party (the "**Assignee Party**") pursuant to Section 20.2 (*Ownership of Province Materials*) and Section 20.3 (*Ownership of SP Materials*), as applicable, (the "**Assigned Intellectual Property**"), then the following provisions will apply:

(a) the Assigning Party will assign, and for no further consideration and without any further act or formality does hereby irrevocably assign, to the Assignee Party all of the Assigning Party's worldwide right, title and interest in and to any Assigned Intellectual Property and any Modifications thereto, including all Intellectual Property Rights therein, free and clear of all Liens, but subject to the provisions of Section 20.7 (*License to Use Province Materials for the Services*) and Section 20.9 (*Use of SP Licensed Software*);

(b) if and to the extent that the assignment pursuant to this Section is not effective on the date hereof or on any future date, either generally or pursuant to any Applicable Laws, then any and all right, title and interest, including the Intellectual Property Rights, in and to any Assigned Intellectual Property or Modifications thereto that is retained, acquired or owned by the Assigning Party (collectively, the "**Assignee Trust Rights**"), will be held by the Assigning Party in trust for the exclusive benefit and use of the Assignee Party and its designates, except for the rights granted to the Service Provider pursuant to Sections 20.7 (*License to Use Province Materials for the Services*) and Section 20.9 (*Use of SP Licensed Software*); and

(c) the Assigning Party will execute and deliver to the Assignee Party such reasonable transfers, assignments, documents and instruments (promptly upon receipt thereof from the Assignee Party) as may be necessary to transfer and assign to the Assignee Party the Assignee Trust Rights, free and clear of all Liens, and will otherwise cooperate with the Assignee Party to give effect to, record and register the Assignee Party's ownership of the Assignee Trust Rights.

20.5 Service Provider Personnel, Subcontractors and External Personnel.

The Service Provider will ensure that all Personnel, Subcontractors and External Personnel will:

(a) by duly executed written agreement or by operation of law, irrevocably and unconditionally sell, assign and transfer to the Service Provider all right, title and interest, including all Intellectual Property Rights, that they may have in or to any or all Province Materials, such that the assignment by the Service Provider pursuant to Section 20.4 (*Assignment of Intellectual Property*) includes any such right, title and interest, including all Intellectual Property Rights, of the Personnel, Subcontractors and External Personnel; and

(b) by duly executed written agreement or waiver document, irrevocably waive all non-transferable rights, including moral rights that they have or may have in the Province

Materials, in favour of the Service Provider, the Province and their respective successors and assigns.

If requested by the Province with respect to its Province Materials, and without limiting the Service Provider's obligations pursuant to this Section, the Service Provider will itself execute, and will obtain the execution by all Personnel, Subcontractors and External Personnel of all reasonable formal assignment documents requested and prepared by the Province, and the execution of all lawful oaths and applications for registration of the same.

20.6 Province Personnel and Contractors.

(a) The Province shall do such things as necessary to ensure that it acquires from any of its employees and contractors such right, title and interest, including Intellectual Property Rights, as may be necessary for the Province to assign to the Service Provider all right, title and interest, including all Intellectual Property Rights, in and to the SP Materials in accordance with Section 20.3 (*Ownership of SP Materials*) and Section 20.4 (*Assignment of Intellectual Property*).

(b) If requested by the Service Provider, the Province shall use reasonable efforts to obtain from any of its contractors and employees written waivers of moral rights in respect of any Intellectual Property created or contributed to by the Province contractors and employees pursuant to this Agreement and which form part of the SP Materials.

20.7 License to Use Province Materials for the Services.

(a) Subject to the provisions of this Agreement and where applicable, the Province hereby grants to the Service Provider the non-exclusive right until the License Termination Date, without cost or charge but subject to any third party rights as notified by the Province to the Service Provider, to:

(i) access, use, copy, support and maintain the Province Materials, other than Province Marks;

(ii) display those Province Marks that the Province identifies or provides to the Service Provider; and

(iii) sublicense the rights referred to in Subsections 20.7(a)(i) and 20.7(a)(ii) to Subcontractors,

solely for the purpose of providing the Services pursuant to, and in accordance with, the terms of this Agreement, but subject to any restrictions, license terms, graphic standards or policies as reasonably determined by the Province, and any third party rights therein, all as may be notified in writing by the Province to the Service Provider.

(b) In connection therewith the license under this Section 20.7, the following provisions will apply:

(i) the foregoing rights granted to the Service Provider do not give the Service Provider the right, and the Service Provider is not authorized, to market the Province Materials or to authorize any other Person to use the Province Materials

(other than the Service Provider's Subcontractors who require the same for purposes of, and in connection with, the delivery of the Services to the Province);

(ii) the Province may authorize or license any third parties to use the Province Materials during the Term, it being acknowledged that to the extent that such authorization or license may have an impact on the Services or on the Service Provider's rights and obligations relating to the Services, or require the Service Provider to provide additional services whether to the Province or any other Person, then the impact will be dealt with pursuant to the Governance Process;

(iii) the Service Provider is not permitted to use the Province Materials for the benefit of any other Person without the prior written consent of the Province, provided that the Service Provider will have the right to authorize its Subcontractors to use the Province Materials for the purpose of providing the Services pursuant to, and in accordance with, the terms of this Agreement;

(iv) the foregoing rights are granted on an "as is" basis without warranties or conditions of any kind, whether oral or written or express or implied, and the Province specifically disclaims any implied warranties or conditions of merchantability, satisfactory quality, non-infringement and fitness for a particular purpose; and

(v) the foregoing rights will terminate upon the Termination Date or the expiry of the Termination Assistance Period, whichever is the later (the "**License Termination Date**"), subject to specific rights required with respect to the Termination Assistance Services.

(c) For the purposes of clarity, the license granted in this Section 20.7 shall be deemed to be in effect for the Province Materials as of the date on which the Service Provider provides the relevant Services utilizing the Province Materials or as the Parties may otherwise agree in writing.

(d) Any exercise by the Service Provider of the right to use any Province Marks pursuant to Subsection 20.7(a)(ii) (*License to Use Province Materials for the Services*) will be in accordance with the terms and conditions set out in **Schedule 11** (*Conditions of Use of Province Marks and Other Communications*).

(e) The Province hereby grants to the Service Provider a non-exclusive, irrevocable, perpetual, world-wide, fully sublicensable, royalty-free, fully paid-up, unlimited and unrestricted right and license for the Service Provider and the Service Provider's licensees to use those portions of New Materials that do not contain, and from which it is not possible to ascertain, any other Province Materials, including the Province Data, or Province Confidential Information, for its internal business purposes, including the delivery of services, licenses and products similar to those delivered under this Agreement (but in any event without permitting any use that discloses such Province Materials or Province Confidential Information), provided, however, that the foregoing license does not apply to any Province Marks or Materials of third parties, including Third Party Software, that are included in the New Materials.

20.8 License to Use SP Materials.

(a) Unless otherwise expressly agreed to by the Province in this Agreement (including any Change Order) or otherwise expressly Approved by the Province, the Service Provider will not integrate with or embed or otherwise include in the Province Intellectual Property any SP Materials, Third Party Software or any other Intellectual Property that is not Province Intellectual Property.

(b) Subject to the terms of this Agreement including, without limitation, Section 20.12 (*SP Software - License to Province after Term and Related Matters*), the Service Provider hereby grants to the Province:

(i) a perpetual, irrevocable, fully paid-up, royalty-free, worldwide, non-exclusive right to access, use, copy, support, maintain, Modify, sublicense, assign, distribute or otherwise exploit any SP Material that is integrated with, embedded in, forms part of, or is otherwise required in order to access, use, copy, support, maintain, Modify, sublicense, assign, distribute or otherwise exploit any New Materials or other Province Materials; and

(ii) the non-exclusive right, during the Term and without cost or charge, to access, use, copy, support, maintain and Modify the SP Materials, other than SP Licensed Software and any SP Materials licensed under Subsection 20.8(b)(i), to the extent necessary for the Province to receive and enjoy the benefits of the Services or to perform its obligations under this Agreement.

(c) The Service Provider will provide to the Province any third party rights necessary to give effect to the foregoing. For the purposes of clarity, the license granted in this Section 20.8 (*License to Use SP Materials*) shall be deemed to be in effect for any SP Materials as of the date on which the Province receives and enjoys the benefits of the relevant Services utilizing such SP Proprietary Software or as the Parties may otherwise agree in writing.

20.9 Use of SP Licensed Software.

Subject to the terms of this Agreement including, without limitation, Section 20.10 (*Assignment of SP Licensed Software*), during the Term the Service Provider will:

(a) ensure that the Province has the non-exclusive right during the Term, without cost or charge, to:

(i) access, use, copy, support, maintain and Modify the SP Licensed Software, other than Service Software, but subject to any restrictions agreed to by the Province in respect of any Third Party Software; and

(ii) access and use Service Software as part of any Technology Platform Extension Services,

to the extent necessary for the Province to receive and enjoy the benefits of the Services or to perform its obligations under this Agreement;

(b) pay all fees for maintenance and support for the SP Licensed Software used or accessed by the Province;

(c) not assign or otherwise dispose of the licenses relating to the SP Licensed Software or amend, or terminate the licenses and the maintenance and support arrangements for the SP Licensed Software, in all cases, in any way which would materially adversely impact the Province's ability to receive and enjoy the benefits of the Services; and

(d) exercise all rights of renewal under its maintenance and support arrangements in relation to the SP Licensed Software such that during such time as the Service Provider is utilizing any SP Licensed Software in connection with the Services, the Service Provider maintains maintenance and support arrangements for such SP Licensed Software as are appropriate to the performance of its obligations under this Agreement.

Notwithstanding the foregoing, under no circumstances will the Province use, or be permitted to use, any or all of the SP Licensed Software for any purpose whatsoever other than to receive and enjoy the benefits of the Services under the terms of this Agreement.

20.10 Assignment of SP Licensed Software.

(a) During the Term, in respect of the licenses for SP Licensed Software, except for SP Affiliate Bespoke Software, the Service Provider will obtain as a provision of each such license and at the time of obtaining such license (or prior to the use of such Third Party Software in providing the Services), the right to assign the license to the Province or their Alternative Service Provider without consent from, or a license transfer fee or other similar fee payable to such third party Person or Affiliate of the Service Provider, as the case may be, (and for greater clarification, excluding ordinary course ongoing license fees and maintenance costs in respect of such Third Party Software); provided that where the inclusion of such provision increases the cost of obtaining such license, then the Service Provider will be relieved of its obligation to obtain such right if it: (i) informs the Province, as applicable, of such increased cost (and provides the Province with detailed back-up documentation in support thereof), and (ii) provides the Province with an alternate replacement Software that is fully-assignable to the Province and provides the same functionality and performance as such Third Party Software (the "**Alternate Licensed Software**"), along with detailed information and back-up on all applicable license fees and other material costs associated with the Service Provider's use of such Alternate Licensed Software.

(b) In addition, upon the earlier of 18 months prior to the License Termination Date or immediately upon the earlier Termination of this Agreement, the Service Provider shall provide to the Province a full inventory of all SP Licensed Software being used by the Service Provider in providing Services to the Province at such time and confirm which such Third Party Software is: (i) assignable to the Province without consent and at no cost, and (ii) assignable to the Province upon consent or payment of a license transfer or other similar fee to the relevant third party Person, and the Alternate Licensed Software (including all license fees and material costs associated therewith) to such Third Party Software.

20.11 Intellectual Property Rights Re: New Services.

The Province and the Service Provider acknowledge that it is their intention to expand the scope of the Services in accordance with this Agreement, and recognize that, in connection with any new services, it will be necessary to reach an agreement on their respective Intellectual Property Rights in the Software that is then operated by the Province or other third parties. It is the intention of the Parties to resolve any issues associated with such Intellectual Property Rights on a basis that is consistent with the provisions of this Article 20 (*Intellectual Property and Propriety Rights*).

20.12 SP Software – License to Province after Term and Related Matters.

Upon the Termination of this Agreement, the Service Provider hereby grants to the Province with respect to the SP Proprietary Software, or will cause the applicable SP Affiliate to grant to the Province with respect to the SP Affiliate Bespoke Software, an irrevocable, non-exclusive, royalty-free, fully-paid up license and right to access, use, copy, support, maintain and Modify such SP Software to continue enjoying services that are comparable to the Services hereunder (including providing the Province with the same functionality in its Systems during the Term) for a period ending the earlier of the date that: (i) is one (1) year after the License Termination Date, or (ii) an Alternative Service Provider starts to provide the Services; thereafter the license granted to the Province under this Section 20.12 is subject to the following:

(a) the Service Provider or the relevant SP Affiliate, as the case may be, will offer to the Province at least one of the following options:

(i) a license to use the such SP Software on the terms set out in Section 20.8 (*License to Use SP Proprietary Software*) and this Section 20.12 (upon payment of any applicable license fees as provided for in this Agreement), which the Province may, in its discretion, accept (in which case the Province's right to use such SP Software will be governed by that license agreement) or reject;

(ii) replacement Software that provides the same functionality and performance as such SP Software and which will operate within the Systems without any degradation thereof or adverse effect thereon and which the Province may use in accordance with Section 20.8 (*License to Use SP Materials*) (upon payment of license fees that are at the normal commercial rates for the relevant replacement Software), (the "**Replacement SP Software**"), in which case the Province will continue to use such SP Software in accordance with Section 20.8 (*License to Use SP Materials*) and this Section 20.12 until the Province has accepted the Replacement SP Software, at which time the Province will return such SP Software to the Service Provider and cease to have any right to use such SP Software; or

(iii) the Service Provider or the relevant SP Affiliate, as the case may be, may allow the Province to continue to use such SP Software in accordance with Section 20.8 (*License to Use SP Materials*), in which case the Service Provider will deliver, or procure the delivery of, to the Province the Source Materials in accordance with Subsection 20.12(d);

and if the Service Provider does not provide the Province with at least one option under this Subsection 20.12(a) within 60 days after the end of the License Termination Date the

Service Provider will be deemed to have elected to proceed under Subsection 20.12(a)(iii);

(b) The Province will continue to have the right to use the SP Proprietary Software and SP Affiliate Bespoke Software in accordance with Section 20.8 (*License to Use SP Proprietary Software*) and this Section 20.12, unless and until the Service Provider has complied with Subsection 20.12(a);

(c) The Service Provider shall not rely upon any Intellectual Property Rights of the Service Provider or its Affiliates that are not included in the licenses granted by the Service Provider or its Affiliates herein or in any other license agreement to prevent or restrict the exercise by the Province of any of the rights granted to the Province pursuant to this Section 20.12; and

(d) The Service Provider or the relevant SP Affiliate, as the case may be, will provide to the Province, without charge, all Documentation and Source Materials for any SP Proprietary Software and SP Affiliate Bespoke Software in respect of which the Province has the right to make Modifications under Subsections 20.12(a)(a)(i) and 20.12(a)(iii) and are otherwise required by the Province to exercise its rights in respect of the SP Proprietary Software and SP Affiliate Bespoke Software, as applicable, licensed pursuant to this Section 20.12.

20.13 Post-Termination Maintenance and Support.

Subsequent to the Termination of this Agreement, the Service Provider will provide to the Province or its designee, including an Alternative Service Provider, any maintenance and support services that the Service Provider provides to its customers generally in respect of the SP Software retained and used by the Province pursuant to Section 20.12 (*SP Software - License to Province after Term and Related Matters*) provided the maintenance and support services are provided for and relate to the version of the SP Software retained and used by the Providence, on the Service Provider's normal commercial terms and rates for such maintenance and support services or on such other terms as may be agreed between the Province and the Service Provider.

20.14 Use of Confidential Information in Licensed Rights.

The Parties agree that when one Party (the "**Licensor Party**") has granted a Software license to the other Party (the "**Licensee Party**") under this Agreement which provides the Licensee Party with any license rights to the SP Proprietary Software, Province Proprietary Software, or any Modifications thereto (each "**Proprietary Software**"), then the Licensee Party will be entitled to disclose or permit disclosure of that Proprietary Software, to the extent necessary and only insofar as disclosure is necessary on a needs to know basis, in order for the Licensee Party to exercise its rights under and in accordance with any licences granted by the Licensor Party to the Licensee Party under this Agreement.

20.15 Third Party Notices of Infringement or Requests.

If either Party receives a notice of infringement, request for disclosure, subpoena, or other inquiry with respect to any matter under this Article 20 (*Intellectual Property and Propriety Rights*), then such Party will, as soon as practical, notify the other Party in writing and the matter will be dealt with in accordance with Article 25 (*Indemnification, Liability and Guarantees*). Neither Party will respond to such notices, requests, subpoenas or inquiries, or disclose the other Party's Confidential Information to third parties, without first so notifying the other Party in writing (to the extent possible).

20.16 Residual Rights.

Notwithstanding Sections 20.2 (*Ownership of Province Materials*), 20.3 (*Ownership of SP Materials*), 20.7 (*License to Use Province Materials for the Services*) and 20.8 (*License to Use SP Materials*), either Party may use during the Term and thereafter any know-how that is developed or created in the course of performing or receiving the Services and is inadvertently retained in the unaided memory of its personnel as a result of authorized access to the Confidential Information or Materials of the other Party. Memory is considered "unaided" if the personnel has not intentionally memorized any Confidential Information or written materials disclosing same as a reminder. The foregoing does not apply to any Province Personal Information, Province Data or third party confidential information.

20.17 Destroyed or Lost Province Data.

If any Province Data is destroyed, lost or modified due to any act or omission of the Service Provider or any Personnel or External Personnel (whether such Personnel or External Personnel are acting within or outside the scope of their employment or consulting retainer), including any breach of the security obligations described in this Agreement, the Service Provider will be responsible for Restoration. The Service Provider will prioritize this effort in a manner designed to minimize any adverse effect upon the Province or the Services due to the destruction, loss or alteration of the Province Data. "Restoration" means: (a) restoring such Province Data to the more recent of: (i) the most recently available electronic back-up copy; or (ii) the most recent scheduled electronic back-up; or (b) upon the Province's request, restoring, regenerating or reconstructing such Province Data using electronic means, provided that such restoration, regeneration or reconstruction is commercially reasonable, as determined by the Province.

ARTICLE 21 – PROVINCE SHARED INFRASTRUCTURE

21.1 Ownership and Control of Province Shared Infrastructure.

The Parties acknowledge the Service Provider may require access to and use of the Province Shared Infrastructure during all or a portion of the Term to support the delivery and performance of the Services as contemplated in this Agreement. In which case, the Service Provider acknowledges that:

(a) the Province Shared Infrastructure will at all times be owned, operated and maintained by the Province or on behalf of the Province by third party Persons;

(b) the Service Provider has no ownership or other interest in the Province Shared Infrastructure other than the rights of access to, and use of, the Province Shared Infrastructure granted to the Service Provider under this Article 21 (*Province Shared Infrastructure*) for purposes of delivering and performing the Services in accordance with this Agreement; and

(c) subject to the rights of the Service Provider specifically set out in this Article 21 (*Province Shared Infrastructure*) and otherwise in this Agreement, the Province will have control of, access to and use of the Province Shared Infrastructure, and the sole control of the operation and maintenance of the Province Shared Infrastructure including changes, modifications and upgrades thereto, without requirement for consent of or Approval from the Service Provider.

21.2 Use of Province Shared Infrastructure.

If applicable, the Province will make available to the Service Provider such access to and use of the Province Shared Infrastructure as is required by the Service Provider to deliver and perform the Services in accordance with this Agreement. Such access and use will be available for the period commencing on the Hand-Over Date (or commencing on such other date as may be agreed to by the Parties during the Term if access to the Province Shared Infrastructure is not required on the Hand-Over Date), to and including the end of the Termination Date or the expiry of the Termination Assistance Period, whichever is the later, or such shorter period of use as may be required by the Service Provider (the "**Shared Infrastructure Use Period**"), and without any additional fee or payment from the Service Provider to the Province unless specifically provided otherwise in this Agreement, or through the Governance Process. Notwithstanding the foregoing, where the Service Provider is utilizing material portions of the Province Shared Infrastructure, then the Province will advise the Service Provider by written notice of the same, and thereafter the Parties will agree, through the Governance Process, upon a reasonable apportionment of the actual costs of the Province Shared Infrastructure and maintenance thereof that the Service Provider will pay to the Province (the "**Basic Infrastructure Credit**") in accordance with the provisions of Section 21.11 (*Basic Infrastructure Credit Payment*). If the Parties are unable to agree upon the amount of the Basic Infrastructure Credit, then the determination thereof will be a Dispute and will be settled in accordance with the Dispute Resolution Process under Article 27 (*Dispute Resolution*).

21.3 Restrictions on Access and Use.

The right of the Service Provider to access and use the Province Shared Infrastructure will be subject to the following:

(a) the Service Provider will be given access to and the use of the Province Shared Infrastructure only during the normal hours of operation of the Province Shared Infrastructure during which the same is generally made available to other users thereof. The Province may change and modify such hours of operation from time to time in its discretion, and upon reasonable prior written notice to the Service Provider, provided that:

(i) the Province Shared Infrastructure will be available for use for a reasonable number of hours during each Business Day (and such non-Business Days where the Province Shared Infrastructure is ordinarily made available to its users) and at reasonable hours as may be required to support the delivery and performance of the Services,

(ii) any change or modification of the hours of operation will apply generally to users of the Province Shared Infrastructure and not only or principally to the Service Provider,

(iii) the Service Provider will not be liable for any breach of or failure to perform its obligations under this Agreement, including any failure to meet the Service Levels, to the extent that such breach or failure to perform is attributable to such change or modification of the hours of operation of the Province Shared Infrastructure, and

(iv) any decrease in the hours of availability of the Province Shared Infrastructure to the Service Provider (except as may be specifically contemplated as part of the

transformation of the Services under this Agreement) will be made through the Governance Process;

(b) in exercising its right of access to or use of the Province Shared Infrastructure, the Service Provider will:

(i) not alter, change, damage or remove any furniture, fixtures, equipment, data, information or other matter located at or comprising part of the Province Shared Infrastructure, except with the Approval of the Province, or as specifically contemplated in this Agreement or resulting from the Services provided under this Agreement, and

(ii) following each exercise of access to or use of the Province Shared Infrastructure, leave the Province Shared Infrastructure in substantially the same condition as existed prior to access to or use of the Province Shared Infrastructure by the Service Provider;

(c) the Service Provider will cause all Personnel of the Service Provider or External Personnel used by the Service Provider, in accessing or using the Province Shared Infrastructure, to:

(i) comply with all policies, rules and regulations that the Province may adopt from time to time in respect of the Province Shared Infrastructure, provided that the Province gives the Service Provider prior written notice thereof, and

(ii) at all times and in all circumstances to identify themselves as employees, agents, contractors or representatives of the Service Provider, as applicable, and not as employees, agents, contractors or representatives of the Province;

(d) the Service Provider will access and use the Province Shared Infrastructure only for the purpose of delivering and performing the Services under this Agreement, and for no additional, ancillary or other purpose unless specifically authorized in writing by the Province;

(e) the Service Provider will advise the Province of any intended reduction in use of the Province Shared Infrastructure as soon as the Service Provider is reasonably aware of the same, including any determination by the Service Provider to discontinue all or partial use of the Province Shared Infrastructure, provided that in no event is the Service Provider required to provide more than 12 months' notice of any intended reduction;

(f) to the extent that the Service Provider has any reason to believe that its use of the Province Shared Infrastructure will adversely affect the general operation of the Province Shared Infrastructure (including, without limitation, due to volume or usages changes), then the Service Provider will immediately advise the Province of the same and take all steps as directed by the Province to ensure that any adverse impact on the Province Shared Infrastructure is minimized or eliminated (recognizing that the Province uses the Province Shared Infrastructure to deliver a number of critical services within the Province, and accordingly, the minimization or elimination of any such adverse impact is paramount). To the extent that the Province directs the Service Provider to take specific steps under this Section 21.3(f) to ensure that any adverse impact on the Province Shared Infrastructure is minimized or eliminated, and the Service Provider complies with the

direction of the Province, then the Service Provider will not be responsible for any adverse impact on the Province Shared Infrastructure that results from the Service Provider's compliance with the Province direction; and

(g) nothing in this Article 21 (*Province Shared Infrastructure*) entitles the Service Provider to require the Province to change, modify or upgrade the Province Shared Infrastructure.

21.4 Ordinary Course Changes to Province Shared Infrastructure.

The Province, in its sole discretion and from time to time, may make non-material changes, modifications, additions or upgrades to the Province Shared Infrastructure or discontinue use of any non-material portion of the Province Shared Infrastructure in the ordinary course of operations (collectively, "**Ordinary Infrastructure Changes**"), without requirement for the consent of the Service Provider and without prior notice to the Service Provider; provided that the Ordinary Infrastructure Changes do not materially affect or impact the access to and use of the Province Shared Infrastructure by the Service Provider for the delivery and performance of the Services in accordance with this Agreement. If as a result of any Ordinary Infrastructure Changes made, the Service Provider is required to change, modify or upgrade its Systems and operations in order to continue to have access to and use of the Province Shared Infrastructure, then the Service Provider will be solely responsible for making all such changes, modifications or upgrades and for all costs thereof to the Service Provider.

21.5 Material Changes to Province Shared Infrastructure.

The Province may make material changes, modifications, additions or upgrades to the Province Shared Infrastructure or discontinue use of any material portion of the Province Shared Infrastructure from time to time (the "**Material Infrastructure Change**"), notwithstanding that the Material Infrastructure Change may have a material adverse effect or impact on the access to and use of the Province Shared Infrastructure by the Service Provider, provided that:

(a) subject to the Service Provider implementing any changes, modifications, additions or upgrades to its Systems and operations as contemplated in this Section, the Service Provider will continue to have access to and use of the Province Shared Infrastructure to the extent that the Province Shared Infrastructure continues to be operated by the Province; and

(b) the Province will give reasonable prior written notice to the Service Provider of the details of the Material Infrastructure Change, including the analysis of the Province as to the effect and impact of the Material Infrastructure Change to the Service Provider, to the extent known, in the delivery and performance of the Services pursuant to this Agreement.

Where a Material Infrastructure Change may be reasonably expected to have a material adverse effect or impact on the Service Provider, the Province will provide the notice of the Material Infrastructure Change to the Service Provider sufficiently in advance of the implementation thereof so as to afford the Service Provider a reasonable opportunity to make the required changes, modifications, additions and upgrades to its Systems and operations prior to such implementation. The Service Provider will be solely responsible for making all such required changes, modifications and upgrades that may be required as a result of the Material Infrastructure Change, and any material adverse impact suffered or incurred by the Service Provider as a result thereof will be addressed by the Parties through the Governance Process. For greater clarification, the Province may discontinue use of any portion of the Province Shared Infrastructure pursuant to this Section where any managed applications of the Service Provider running on the Province

Shared Infrastructure cause process loops, runaway jobs, extreme load conditions or other similar adverse impacts to users of the Province Shared Infrastructure, in which case any material adverse impact suffered or incurred by the Service Provider in respect thereof will be at the sole cost of the Service Provider, and will not be addressed by the Parties pursuant to the Governance Process.

21.6 Changes Required for the Service Provider.

Where a change to the Province Shared Infrastructure is required for the continued access to and use of the Province Shared Infrastructure by the Service Provider (such as a change to accommodate increased demand or capacity), then the following will apply:

(a) the Service Provider will notify the Province, in writing, where a change to the Province Shared Infrastructure is required for the continued access to and use of the Province Shared Infrastructure by the Service Provider, which notice will include a detailed description of all business and technical requirements relating to such requested change, to the extent known;

(b) the Province will review and consider any change to the Province Shared Infrastructure as may be reasonably requested by the Service Provider, having regard to all of the surrounding circumstances including, without limitation, the impact on and the interests of the other users of the Province Shared Infrastructure, and the Province will implement any such changes as may be Approved by the Province;

(c) the Province will prepare a plan, with the assistance of the Service Provider as may be necessary, for the implementation of any such required or requested change will include a detailed description of each change to the Province Shared Infrastructure proposed to be made, and a forecast of any increase to the operating and maintenance costs of the Province in respect of the Province Shared Infrastructure as a result from such change, all to the extent known or reasonably anticipated;

(d) the Province will incorporate all reasonable comments and suggestions as the Service Provider may provide to the Province in writing provided that, for greater clarification, the Province will, at all times, have and retain the sole right to determine the appropriate plan and actions to implement such required or requested change; and

(e) the costs incurred by the Service Provider, if any, as a result of any change to the Province Shared Infrastructure under this Section 21.6 (*Changes Required for the Service Provider*), shall be addressed through the Governance Process.

21.7 Changes Initiated by the Service Provider.

Where a change to the Province Shared Infrastructure is initiated by the Service Provider, then the following will apply:

(a) the Service Provider may request a change to the Province regarding the Province Shared Infrastructure by notice in writing to the Province, which notice will include a detailed description of all business and technical requirements relating to such requested change, to the extent known;

(b) the Province will review and consider any change to the Province Shared Infrastructure as may be reasonably requested by the Service Provider from time to time, having regard

to all of the surrounding circumstances including, without limitation, the impact on and the interests of the other users of the Province Shared Infrastructure, and will implement any such changes as may be Approved by the Province;

(c) unless the Service Provider has given notice to the Province that the Service Provider will prepare the plan for the implementation of any such required or requested change, the Province will, at the cost of the Service Provider, prepare a plan for such change and will provide such plan to the Service Provider for its review and consideration;

(d) the plan for the implementation of any such required or requested change will include a detailed description of each change to the Province Shared Infrastructure proposed to be made, as well as a budget of costs anticipated to be incurred to effect and implement such change, and a forecast of any increase to the operating and maintenance costs of the Province in respect of the Province Shared Infrastructure as a result from such change, all to the extent known or reasonably anticipated;

(e) the Province will incorporate all reasonable comments and suggestions as the Service Provider may provide to the Province in writing provided that, for greater clarification, the Province will, at all times, have and retain the sole right to determine the appropriate plan and actions to implement such required or requested change and will have the right to grant the final Approval thereof; and

(f) if the Service Provider does not agree with the proposed plan or implementation of the proposed change to the Province Shared Infrastructure, or of the estimated costs or forecast thereof as provided by the Province to the Service Provider, then matter will be deemed to be a Dispute and will be settled in accordance with the Dispute Resolution Process under Article 27 (*Dispute Resolution*).

Notwithstanding the foregoing, and for greater clarification, the Province will not require the Approval of the Service Provider to the plan in respect of or the implementation of any such required or requested change to the Province Shared Infrastructure and may proceed with such plan and the implementation of such change notwithstanding initiation by the Service Provider of a Dispute pursuant to paragraph (f) above.

21.8 Cooperation of the Parties.

The Parties will cooperate with each other and will use reasonable efforts to make and implement any change, modification or upgrade to the Province Shared Infrastructure determined or Approved by the Province contemplated in this Article 21 (*Province Shared Infrastructure*), including testing of such change, modification or upgrade.

21.9 Changes.

Unless specifically provided otherwise in this Article 21 (*Province Shared Infrastructure*), the change process set forth in Section 21.6 (*Changes Required for the Service Provider*) and Section 21.7 (*Changes Initiated by the Service Provider*), shall apply with respect to the Province Shared Infrastructure.

21.10 Failure of Province Shared Infrastructure.

(a) In the event of an unanticipated failure of the Province Shared Infrastructure, or the occurrence of any unanticipated event or circumstance which prevents the Service

Provider from having access to and use of the Province Shared Infrastructure, as is required by the Service Provider for the delivery and performance of the Services, whether arising from the negligence or fault of the Province or otherwise, the Province and the Service Provider acknowledge and agree that:

(i) the Province will have no liability or obligation to the Service Provider in respect thereof other than the obligation to use reasonable efforts and to act with due diligence to correct such failure, or to restore such access to and use of, the Province Shared Infrastructure as soon as reasonably practicable; and

(ii) to the extent that the Service Provider is not able to deliver or perform a Service in the manner or to the Service Level required under this Agreement, or to perform any other obligations under this Agreement, as a result of such failure or lack of access to or use of the Province Shared Infrastructure, the Service Provider will, subject to the Service Provider complying with obligations with respect to business continuity and disaster recovery under **Schedule 21** (*Business Continuity*), be released of all consequences otherwise provided in this Agreement in respect of such failure to deliver and perform such Service, to meet such applicable Service Level or to perform such obligations under this Agreement, until such failure or lack of access to or use of the Province Shared Infrastructure is rectified or remedied to a degree that the Service Provider is able to deliver and perform the Services, and to perform its obligations in accordance with this Agreement.

21.11 Basic Infrastructure Credit Payment.

Where the Service Provider is required by this Article 21 (*Province Shared Infrastructure*) to pay the Province a Basic Infrastructure Credit or any other payment relating to the Province Shared Infrastructure, then the following provisions will apply:

(a) the Service Provider will make such payment by recording, in favour of the Province, a credit against the Fees payable to the Service Provider under this Agreement in accordance with Section 16.5 (*Procedure for Obtaining Refund, Credit or Discount*), which credit will be applied on a monthly basis, to the extent applicable;

(b) the Province may, at any time, direct the Service Provider not to record a Shared Infrastructure Credit in favour of the Province in respect of an amount payable by the Service Provider to the Province pursuant to this Article 21 (*Province Shared Infrastructure*), and instead to pay such amount to a third party as may be designated by the Province, in which event, the Service Provider will pay such amount to the third party as directed by the Province, and will not record such amount as a credit in favour of the Province. In such event, receipt of payment of such amount by the third party will, and will be deemed to be, receipt of payment of the amount by the Province for all purposes of this Agreement; and

(c) if the Service Provider fails to comply with the preceding provisions of this Section in respect of an amount payable by the Service Provider to the Province under this Article 21 (*Province Shared Infrastructure*), the Province may, by notice in writing to the Service Provider, set-off such amount payable by the Service Provider against any Fees payable by the Province to the Service Provider under this Agreement.

21.12 Indemnity.

Notwithstanding any other provision contained in this Article 21 (*Province Shared Infrastructure*), and in addition to any other indemnities provided by the Service Provider to the Province pursuant to this Agreement, the Service Provider hereby indemnifies and agrees to hold harmless the Province and its employees, agents, contractors or representatives to the fullest extent permitted by law, from and against any and all Claims suffered or incurred by any of them arising out of or in connection with the access to and use of the Province Shared Infrastructure by the Service Provider, excepting liability arising out of the independent acts or omissions of the Province, its agents and contractors.

21.13 Termination of Rights to Province Shared Infrastructure.

The Service Provider acknowledges and agrees that its rights in respect of the Province Shared Infrastructure under this Article 21 (*Province Shared Infrastructure*) will cease upon the expiry (or earlier termination in accordance with this Article 21 (*Province Shared Infrastructure*)) of the Shared Infrastructure Use Period. Upon such expiry, the Service Provider will return to the Province all passwords, access codes, access cards and devices of any kind used to obtain access to and use of the Province Shared Infrastructure. For greater clarification, if the Province discontinues use of any portion of the Province Shared Infrastructure, then upon the discontinuance thereof the Service Provider's rights in respect of the discontinued portion of the Province Shared Infrastructure under this Article 21 (*Province Shared Infrastructure*) will cease, and the Service Provider will return to the Province all passwords, access codes, access cards and devices of any kind used to obtain access to and use of the discontinued portion of the Province Shared Infrastructure.

ARTICLE 22 – AUDIT RIGHTS

22.1 Access Rights.

In connection with the Province's exercise of its rights under this Article 22 (*Audit Rights*), during the Term, and for a period of seven (7) years after the end of the Term, upon prior written request of the Province, except where such prior notice is not required pursuant to the express provisions of this Article 22 (*Audit Rights*) or any other express provisions of this Agreement, the Service Provider will provide the Province and its auditors and other authorized representatives of the Province with access to the following including, where applicable and practicable to do so, with electronic access, to:

(a) all Province Records or Personal Information related to the Services then in the Custody of the Service Provider, wherever maintained;

(b) any System that contains the Province Records or Personal Information related to the Services, wherever maintained; and

(c) any property or facility at which the Services are being performed, where any such Systems are housed, or where any the Province Records or Personal Information are maintained or stored.

The provisions of Section 22.8 (*General Principles*) will apply with respect to the access rights granted to the Province under this Section.

22.2 Examinations and Copies.

During the Term, upon the prior written request of the Province, the Service Provider will permit the Province and its auditors and their respective authorized representatives, during business hours or such other time as the Parties mutually agree, to examine and make copies of any computer-stored data, correspondence, accounting procedures and practices, and any other relevant supporting financial or operational data including, without limitation, invoices, payments, claims and receipts, and in all cases pertaining to the Services, which will be made available by the Service Provider to the Province and its auditors, and their respective authorized representatives in British Columbia. Both Parties acknowledge and agree that nothing in this Section will in any way limit or restrict the confidentiality obligations as set forth in Article 17 (*Privacy, Security and Confidentiality*) or as otherwise contemplated by this Agreement.

22.3 Work Reporting.

The Service Provider must, upon the Province's request, fully inform the Province of all work done by the Service Provider or a Subcontractor, including the development of Materials, in connection with providing the Services.

22.4 Inspection and Investigation Rights.

The Province will have the right, at any time and without prior notice to the Service Provider, either directly or through its representatives, to inspect all or any matters in respect of the Services performed by or on behalf of the Service Provider under this Agreement. The Province will make reasonable efforts in exercising such right of inspection or investigation to not hinder or interfere with the performance of the Services by the Service Provider under this Agreement. For greater clarification, the Province acknowledges that to the extent that any such exercise of the Province's right of inspection or investigation directly hinders or interferes with the Service Provider's ability to deliver Services under this Agreement, then the Service Provider will not be responsible for any Service failure resulting therefrom. The Service Provider will provide the Province and its representatives with all reasonable assistance in connection with any such inspections and investigations. The provisions of Section 22.8 (*General Principles*) will apply with respect to the inspection or investigation rights granted to the Province hereunder.

22.5 Audit Rights.

The Province may appoint an internal or external auditor or other professional advisor at any time and from time to time, but subject to the provisions of Section 22.8 *(General Principles)*, to review and confirm or verify, in respect of any Contract Year, any aspect of this Agreement and the Services performed under this Agreement including, without limitation, the following:

(a) any matter related to the operational aspects of this Agreement and the Services including, without limitation, to certify or verify:

(i) the integrity of the Province Records or Province Confidential Information including, without limitation, the completeness, accuracy, timelines, confidentiality, availability and security in respect thereof;

(ii) the privacy and security processes of the Service Provider and its Access Subcontractors, and the compliance of the Service Provider and its Access Subcontractors with the Privacy Obligations;

(iii) the general controls, practices, and procedures utilized by the Service Provider in connection with the Services performed;

(iv) the stability and security of the Systems and processes utilized by the Service Provider in performing the Services;

(v) the integrity of all reports provided by the Service Provider to the Province (including the raw data from which such reports are compiled);

(vi) that the Services are being provided in accordance with the terms of this Agreement (including the Service Levels), and in accordance with all Applicable Laws, the Province Policies and any applicable requirements of any regulatory body or authority having competent jurisdiction; and

(vii) the reviews and audits referred to in **Schedule 21** (*Business Continuity*) in respect of the Business Continuity Plan;

(b) any matter related to the financial or business aspects of this Agreement, including verifying the accuracy of all Fees or other amounts invoiced to, or paid by, the Province, the accuracy of financial information provided by the Service Provider to the Province in respect of the calculation of Fees or other amounts invoiced to the Province or set forth in any Proposal in connection with the Change Order Process, or any credits or reductions against the Fees (whether or not properly granted as required by the Service Provider to the Province), and the accuracy of any reporting by the Service Provider to the Province in connection with the foregoing;

(c) operational and other audits requested or otherwise required to be undertaken by the Office of the Comptroller General or the Office of the Auditor General of the Province under the *Financial Administration Act* (British Columbia) or any other Applicable Laws regarding any aspect of this Agreement (including, without limitation, an audit of the compliance by the Service Provider with the requirements of this Agreement), or any audits that may be required by Cabinet or Treasury Board; or

(d) such other audits relating to this Agreement, the obligations of the Service Provider under this Agreement, or the Services as the Province may determine from time to time.

For greater clarification, the Province may, in connection with the exercise of its audit rights pursuant to this Section 22.5 (*Audit Rights*), exercise or cause the Service Provider to exercise rights in respect to this Section.

22.6 Costs.

The costs of any inspections, investigations and audits will be dealt with in accordance with the following provisions:

(a) except as set forth in paragraph (b) below, the Province will pay its costs and expenses of any investigations and inspections under Section 22.4 (*Inspection and Investigation Rights*), and the costs and expenses of any auditor or other professional advisor retained by the Province to conduct or assist with an audit under Section 22.5 (*Audit Rights*) or Section 22.7 (*Internal Controls*). The Service Provider will pay, and will not seek reimbursement from the Province, for the Service Provider's (or its Subcontractors')

costs incurred in connection with any inspection or investigation under Section 22.4 (*Inspection and Investigation Rights*), or any audit conducted pursuant to Section 22.5 (*Audit Rights*) or Section 22.7 (*Internal Controls*), including the cost of the time and effort of the Service Provider and its Personnel, Subcontractors and External Personnel to comply with the requests and requirements of an inspector, investigator, auditor or other professional advisor in respect of the same; and

(b) where an investigation, inspection or audit reveals a material Audit Deficiency (as determined by the Province, acting reasonably) as a result of the acts or omissions of the Service Provider (or of those Persons for whom the Service Provider is responsible at law or pursuant to the terms of this Agreement), the following provisions will apply:

(i) the Service Provider will bear the Province's reasonable costs and expenses upon being shown the results of the investigation, inspection or audit (which, in the case of disagreement, are subject to the dispute resolution process under Article 27 *(Dispute Resolution);*

(ii) the Service Provider will resolve such Audit Deficiency in accordance with the provisions of Section 22.9 (*Audit Deficiencies*); and

(iii) upon correction of the material Audit Deficiency so identified, and if so requested by the Province, the Service Provider will undertake a new audit to confirm that such material Audit Deficiency has been fully addressed and remedied. The Service Provider will promptly provide the results of such audit to the Province upon the Service Provider's receipt of the same.

22.7 Internal Controls.

(a) The Province may from time to time conduct a "Trust Services Principles and Criteria" examination as governed by the American Institute of Certified Public Accountants and the Canadian Professional Accountants of Canada (formerly Canadian Institute of Chartered Accountants) (the "**SysTrust Report**") or a Canadian Professional Accountants of Canada Section CSAE 3416 Report (the "**3416 Report**"), in respect of the Services being provided under this Agreement. The SysTrust Report or 3416 Report will report on controls throughout a Contract Year. The SysTrust Report or 3416 Report will be deemed to be an audit for the purposes of this Article 22 (*Audit Rights*) with costs, Audit Deficiency correction and all other matters addressed in the manner as set forth in this Article 22 (*Audit Rights*) for audits.

(b) The Service Provider will supply and will make available for review by the Province such information, including auditor reports, as the Province may require to evaluate the sufficiency of the Service Provider's internal controls.

22.8 General Principles.

(a) In connection with the access, inspection, investigation and audit rights granted to the Province and other Persons under this Article 22 (*Audit Rights*):

(i) the auditors, investigators, inspectors or representatives of the Province will be qualified and trained to levels appropriate to conduct audits, inspections or investigations being conducted;

(ii) the Service Provider will, and will cause its Personnel, Subcontractors and External Personnel to:

(A) cooperate with any such inspections, investigations and audits performed by the Province through the Province's auditors, investigators, inspectors or representatives;

(B) make available on a timely basis the information and Records requested by the Province or its auditors, investigators, inspectors or representatives (including permitting the Province or its auditors, investigators, inspectors or representatives to copy any records in support of any statements of account or payments under the Agreement); and

(C) provide the Province and its auditors, investigators, inspectors or representatives with assistance in obtaining access to such information and Records, and to any Subcontractors, Personnel or External Personnel, as may be reasonably requested;

(iii) the access rights provided for with respect to the premises of the Service Provider will also extend to those premises at which Province Confidential Information, Province Records or Personal Information is stored, and the Service Provider will obtain such corresponding rights from its Subcontractors as may be necessary to give effect to this provision;

(iv) the Service Provider will be given the opportunity to respond to the audit, inspection or investigation results before they are finalized, except where it is not reasonably possible or appropriate, as determined by the Province; and

(v) electronic access to any System contemplated in Section 22.1 (*Access Rights*), which contains Province Records or Personal Information in connection with the Services and the records of third parties shall be supervised by the Service Provider.

(b) For clarity, the Province's inspection and audit rights under this Article 22 (*Audit Rights*) are in addition to any other rights of inspection or audit the Province may have under statute or otherwise.

22.9 Audit Deficiencies.

Following delivery to the Service Provider of an audit, inspection or investigation report that outlines accounting or other Audit Deficiencies of the Service Provider, the Parties will meet as soon as possible through the Governance Process in order to discuss and resolve such Audit Deficiencies. In connection therewith, the following provisions will apply:

(a) if the report identifies the potential for any Audit Deficiency, then the Service Provider will provide the Province, through the Governance Process, with the Service Provider's assessment of the impact of the potential Audit Deficiency;

(b) subject to any alternative agreement reached between the Parties through the Governance Process, the Service Provider will, as soon as reasonably possible (but in any event within 30 days), develop and present to the Province, through the Governance Process, a

corrective action plan outlining the timely corrective action that has been taken, or will be taken, by the Service Provider to remedy the Audit Deficiencies;

(c) the corrective action plan will include a sufficient level of detail to allow the Province to assess the appropriateness of the corrective action and plan, including a description of the Audit Deficiency, the specific action to be taken, and a specific implementation schedule that specifies dates and Persons responsible for taking, or who have already taken, the corrective action;

(d) the Province will be given the opportunity, through the Governance Process, to provide the Service Provider with any comments that the Province may have on the corrective action plan, and the Service Provider will take all such comments received by the Province into consideration; and

(e) the Service Provider will, at its expense, remedy the Audit Deficiencies in accordance with the corrective action plan, provided that the Service Provider will be entitled to remedy any Audit Deficiencies that that are not material in nature, or that do not involve access, use or disclosure of Personal Information, in the ordinary course of business.

ARTICLE 23 – GENERAL DUTIES AND OBLIGATIONS

23.1 General Duties and Obligations of Service Provider.

At all times during the Term and without limiting the other provisions set forth in this Agreement, the Service Provider agrees to, and to cause its directors, officers, Personnel, Affiliates, Subcontractors and all External Personnel to, perform its obligations under this Agreement and to deliver the Services as follows:

(a) in compliance with all of the terms and conditions of this Agreement and all other documents referenced in this Agreement;

(b) in a manner that is consistent with the Province's and the Service Provider's objectives set out in Article 2 (*Shared Vision, Guiding Principles and Objectives*);

(c) in accordance with the standard of care set forth in Section 6.5 (*Standard of Care*);

(d) in a manner that

(i) meets or exceeds the applicable Specifications and Service Levels, and

(ii) meets quality assurance processes and procedures established by the Service Provider to ensure appropriate performance of the Services in accordance with the applicable performance standards set out in this Agreement;

(e) in accordance with any Change Orders and any agreements made between the Province and the Service Provider pursuant to the Governance Process;

(f) in compliance with all applicable Province Policies which have been provided or otherwise communicated by the Province to the Service Provider from time to time, and in accordance with the Change Order Process; and

(g) in compliance with all Applicable Laws.

With respect to Subsection 23.1(f), if either Party becomes aware of any amendments to any Privacy Laws (including any new Privacy Laws), such Party will notify the other Party of such change. If either Party concludes that compliance with such amendment will require any change to the Services or this Agreement, then the Service Provider will analyze the impact of the change on the Services or this Agreement, including the incremental costs that the Service Provider may incur as a result of such change, and such changes will be addressed through the Governance or Change Order Process. To the extent such change impacts other Service Provider clients, any additional costs will be apportioned on an equitable basis to all such clients, including the Province.

For the purposes of this Section 23.1, "Privacy Laws" means all Applicable Laws relating to data privacy, personal information or data, trans-border data flow and data protection.

23.2 Licenses and Permits.

At all times during the Term, the Service Provider will, at its own cost, obtain and maintain in full force and effect all licenses and permits issued by any Governmental Authority which are required or desirable for the proper performance of the Services, or otherwise required or desirable for the performance and completion of the transactions contemplated in this Agreement.

ARTICLE 24 – REPRESENTATIONS, WARRANTIES AND COVENANTS

24.1 Province Representations and Warranties.

The Province represents, warrants and covenants as follows to the Service Provider, as of the date of this Agreement and throughout the Term, and acknowledges and confirms that the Service Provider is relying upon such representations, warranties and covenants in entering into this Agreement:

(a) the Province has the power and authority to enter into, execute and deliver this Agreement this Agreement constitutes a legal, valid and binding obligation of the Province enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights, and to the fact that specific performance and injunction are equitable remedies available only in the discretion of the court;

(b) the Province has the power and authority to perform its obligations under this Agreement; and

(c) neither the execution and delivery of this Agreement nor the compliance with the terms thereof by the Province:

(i) has resulted or will result in a violation of any Applicable Laws, or

(ii) requires the approval or consent of any Person or any Governmental Authority except such as has been obtained as of the date of this Agreement.

24.2 Service Provider Representations, Warranties and Covenants.

The Service Provider represents, warrants and covenants as follows to the Province, as of the date of this Agreement and (except as otherwise noted) throughout the Term, and acknowledges and confirms that the Province is relying upon such representations, warranties and covenants in entering into this Agreement, notwithstanding any prior or subsequent investigation by the Province:

(a) the Service Provider is a corporation duly incorporated and validly existing under the laws of Prince Edward Island and is in good standing with respect to the filing of annual returns thereunder;

(b) the Performance Guarantor is a corporation duly continued and validly existing under the laws of Canada and is in good standing with respect to the filing of annual returns thereunder;

(c) the Performance Guarantor and the Corporate Guarantor are affiliated companies;

(d) the Corporate Guarantor is a publicly-held corporation duly incorporated and validly existing under the laws of State of Virginia and listed on the New York Stock Exchange;

(e) the Service Provider has, and throughout the Term will maintain, its registered office within the Province of British Columbia;

(f) all of the Service Provider's directors are Canadian citizens and resident in Canada;

Power, Capacity and Legal Authority

(g) the Service Provider has all necessary corporate power, capacity and legal authority to enter into, execute and deliver this Agreement, and to perform its obligations under this Agreement, and this Agreement have been duly executed and delivered by the Service Provider, and each constitutes a legal, valid and binding obligation of the Service Provider enforceable against the Service Provider in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights, and to the fact that specific performance and injunctive relief are equitable remedies available only in the discretion of the court;

(h) subject to the Performance Guarantor providing the Province with a Performance Guarantee, the Performance Guarantor has all necessary corporate power, capacity and legal authority to enter into, execute and deliver the Performance Guarantee and to perform its obligations thereunder, and the Performance Guarantee has been duly executed and delivered by the Performance Guarantor, and constitutes a legal, valid and binding obligation of the Performance Guarantor enforceable against the Performance Guarantor in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights, and to the fact that specific performance and injunctive relief are equitable remedies available only in the discretion of the court;

(i) subject to the Corporate Guarantor providing the Province with a Corporate Guarantee, the Corporate Guarantor has all necessary corporate power, capacity and legal authority to enter into, execute and deliver the Corporate Guarantee and to perform its obligations thereunder, and the Corporate Guarantee has been duly executed and delivered by the

Corporate Guarantor, and constitutes a legal, valid and binding obligation of the Corporate Guarantor enforceable against the Corporate Guarantor in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights, and to the fact that specific performance and injunctive relief are equitable remedies available only in the discretion of the court;

No Violation

(j) neither the execution and delivery of this Agreement nor the compliance with the terms of this Agreement by the Service Provider:

(i) has resulted or will result in a violation of any Applicable Laws,

(ii) has resulted or will result in a breach of, or constitute a default under, the Service Provider's constating documents, any shareholders' agreement to which it is a party, or any shareholder or directors' resolutions,

(iii) has resulted or will result in a breach of, or constitute a default under, any instrument or agreement to which the Service Provider is a party or by which the Service Provider is bound, or

(iv) requires the approval or any consent of any Person or any Governmental Authority except such as has been obtained as of the date of this Agreement;

Permits, Approvals and Operating Matters

(k) the Service Provider holds, and will hold as of the Hand-Over Date and throughout the Term, all material permits, approvals, authorizations, consents and licenses that may be required from any Person or Governmental Authority in order for the Service Provider to perform its duties and obligations pursuant to the terms of this Agreement and to provide the Services as contemplated under this Agreement, and the Service Provider is, and at the Hand-Over Date and throughout the Term will be, in good standing with respect to all such permits, approvals, authorizations consents and licenses, and none of the same contain, or will contain, any term, provision, condition or limitation which would have a material adverse effect on, or materially adversely restrict or impair the performance by, the Service Provider of its duties and obligations under this Agreement or the performance of the Services pursuant to the terms of this Agreement;

(l) the Service Provider and its personnel possess the necessary skills, expertise and experience to carry out and complete the Services in accordance with the terms of the Agreement and will perform the Services in a good and proficient manner to the same reasonable standards of professional skill and competence generally applicable to generally recognized top tier providers of services of the same type as the Services;

(m) the Service Provider will conduct its business in relation to the Services in a professional and competent manner that will reflect favourably on the good name and reputation of the Province, and will refrain from engaging in any unfair or deceptive trade practice, or unethical business practice whatsoever, or any other practice that could unfavourably reflect upon the Province;

(n) the Service Provider has filed all tax, corporate information and other returns required to be filed under all Applicable Laws, has complied with all workers compensation legislation and other similar legislation to which it may be subject, and has paid all Taxes, fees and assessments calculated to be due by it under those laws as of the date of this Agreement;

(o) the Service Provider has, and throughout the Term will maintain, sufficient and appropriate assets, materials and Personnel to enable the Service Provider to perform and fulfill its obligations under this Agreement and to perform the Services in accordance with the terms of this Agreement;

Intellectual Property, Systems and Assets

(p) the performance by the Service Provider of the Services under this Agreement, and all of the Systems, Software and other Intellectual Property utilized by the Service Provider in the delivery of the Services (other than Intellectual Property licensed by the Province to the Service Provider pursuant to Section 20.7 *(License to Use of Province Materials for the Services)*), if any, does not and will not violate or infringe, or constitute a misappropriation of, the Intellectual Property or rights of any Person;

(q) all Systems used by the Service Provider or its Subcontractors will be maintained by the Service Provider or its Subcontractors in good working order, ordinary wear and tear excepted, and will meet the Service Provider's published specifications;

(r) all Materials and tangible personal assets including hardware that are transferred, assigned or licensed (as applicable in accordance with the terms of this Agreement) by the Service Provider to the Province at any time during the Term and upon the Termination, will be free and clear of all Liens at the time of transfer, assignment or license to the Province, other than the interests of a lessor in respect of any leased assets, or such Liens as may have been granted in respect of such leased assets by the lessor thereof;

(s) at such time as the Service Provider transfers, assigns or licenses any Intellectual Property or Intellectual Property Rights to the Province pursuant to this Agreement, the Service Provider will have all necessary right, title and interest in the Intellectual Property or Intellectual Property Rights to complete such transfer, assignment or license, as the case may be, in accordance with its terms;

(t) the Service Provider will not insert or permit any third party to insert into any hardware, software or systems, including any New Material or other Materials provided or made available to the Province by or on behalf of the Service Provider, any Contaminant;

(u) to the extent that SP Materials or the Province Materials developed or created by the Service Provider, or accessed by or delivered to the Province, contain protection features designed to prevent copying, or intentionally to prevent the use of such Materials or other Software routines or hardware components which are designed to prevent unauthorized access, to disable or erase Software or data, or to perform other like actions, the Service Provider will provide the Province with the necessary key, password or other means such that it will have access and use of such materials;

Litigation, Proceedings and Limiting Agreements

(v) as of date of this Agreement, there are no suits, actions, proceedings, judgments or orders outstanding or, to the knowledge of the Service Provider, threatened against or affecting the Service Provider or any of its assets by or before any court, tribunal, board or other Governmental Authority that would, if adversely determined, have a material adverse effect on, or materially adversely restrict or impair the performance by, the Service Provider of its duties and obligations under this Agreement or the performance of the Services pursuant to the terms of this Agreement;

(w) as of the date of this Agreement, there are no material labour actions, proceedings, grievances, judgments or orders outstanding or, to the knowledge of the Service Provider, threatened against or affecting the Service Provider by or before any court, tribunal, board or other Governmental Authority, which could have a material adverse effect on, or materially adversely restrict or impair the performance by, the Service Provider of its duties and obligations under this Agreement or the performance of the Services pursuant to the terms of this Agreement;

Insolvency

(x) the Service Provider is not insolvent, is able to pay its debts as they become due in the ordinary course of business, and the entering into of this Agreement and the performing of its obligations under this Agreement will not render the Service Provider insolvent or unable to pay its debts as they become due;

Subcontractors and Personnel

(y) attached as **Schedule 14** (*Subcontractors*) is a list of all of the Subcontractors who are required to be Approved by the Province under the provisions of Section 13.11 (*Consent to* Use *of Material Subcontractors*) with respect to the performance of the Services, as such Schedule may be amended from time to time in order to accurately reflect such Subcontractors during the Term, and all other actions required to be taken with respect to such Subcontractors have been taken including, without limitation, the incorporation in the agreements with such Subcontractors of the required provisions as set forth in Article 13 (*Subcontractors*) and in the Privacy Obligations;

Miscellaneous

(z) as of the date of this Agreement, and with the exception of any information provided by the Province and which is incorporated into the Service Provider's documents, all information provided by the Service Provider to the Province in the course of responding to the NRFP prior to entering into this Agreement, including in the Service Provider's submission and during the workshops conducted as part of the NRFP process, was true and correct in all material respects and was not misleading in any material respect at the time of disclosure, and the Service Provider has not failed to disclose any further information which failure would make the information previously disclosed misleading in any material respect. Without limiting the generality of the foregoing, the representations and warranties made by the Service Provider in its submission and during workshops conducted as part of the NRFP process, as to facts materially related to the Services, including facts pertaining to the Service Provider's corporate structure, organization,

operations, general skills and capabilities relevant to the Services, are true and correct in all material respects;

(aa) the Service Provider is under no current obligation or restriction, nor will it knowingly assume any such obligation or restriction that does or could in any way interfere or conflict with, or that does or could present a conflict of interest concerning, the performance of the Service Provider's obligations and the providing of the Services under the terms of this Agreement;

(bb) there has been no collusion, relationship with, benefit granted to or benefit received from any other Person with respect to the NRFP, this Agreement, the delivery of the Services or anything related thereto except:

(i) for subcontracts, teaming agreements and other similar contracts entered into in the ordinary course of business,

(ii) obligations to pay commissions or other incentive compensation in compliance with compensation programs of the Service Provider and its Subcontractors and its or their Affiliates, and

(iii) as otherwise expressly disclosed by the Service Provider to the Province in writing; and

(cc) the Service Provider has no knowledge of any fact or matter not disclosed to the Province by the Service Provider which, if known by the Province, might be reasonably expected to deter the Province from entering into this Agreement or completing the transactions contemplated in this Agreement or that might materially adversely affect the ability of the Service Provider to perform its obligations under this Agreement.

Any breach by the Service Provider of any of the covenants, representations or warranties in this Section 24.2 will be deemed to be a Material Breach by the Service Provider.

24.3 Disclaimer of Warranties.

Other than the representations and warranties expressly set out in this Agreement, neither Party makes any representation or warranty, expressed, implied, statutory or otherwise regarding any matter in connection with this Agreement, including representations or warranties of merchantability or fitness for a particular purpose.

24.4 No Guarantee of Service Volumes.

The Service Provider acknowledges and agrees that the Province makes no representation or warranty as to the nature, timing, quality, quantity or volume of Services required from the Service Provider under this Agreement, or the volume of business or any particular type of transaction or other measurable matter that will be handled by the Service Provider in providing the Services under this Agreement, or the compensation that may be earned by the Service Provider under this Agreement. The Service Provider acknowledges and agrees that it has conducted its own due diligence prior to entering into this Agreement as to the services performed by or on behalf of the Province historically in connection with the business that will be undertaken by the Service Provider in performing the Services. The Province has advised the Service Provider, and the Service Provider acknowledges, that historic information with respect to the Services or such business, including any particular type of transaction or other measurable matter, may

not be representative of the future nature, timing, quality, quantity or volume of Services that will be required under or performed by the Service Provider under this Agreement, or the volume of business or any particular type of transaction or other measurable matter that will be handled by the Service Provider in connection with this Agreement.

ARTICLE 25 – INDEMNIFICATION, LIABILITY AND GUARANTEES

25.1 General Intent.

Each Party will be liable to the other for any damages that may be properly and lawfully awarded against each Party in favour of the other under the terms of, or in connection with, this Agreement. Both Parties agree, however, that monetary damages may not be a sufficient remedy for any breach of this Agreement, and each Party will be entitled to seek equitable relief, including injunctive relief and specific performance in the event of a breach of this Agreement, to the extent that such remedy is available to a Party in accordance with Applicable Laws (including, without limitation, the *Crown Proceeding Act*), but subject to any express limitations otherwise provided for in this Agreement.

25.2 Indemnification by the Service Provider.

The Service Provider will indemnify and save harmless the Province and its employees, advisors, agents and representatives (the "**Province Indemnified Parties**") from any loss, claim (including any claim of infringement of third party Intellectual Property Rights), damage award, action, cause of action, cost or expense that any one or more of the Province Indemnified Parties may sustain, incur, suffer or be put to at any time, either before or after the expiration or sooner termination of this Agreement (each a "**Loss**"), to the extent the Loss is caused or contributed to by

(a) any act or omission by the Service Provider or by any of the Service Provider's agents, employees, independent contractors, officers, directors, Subcontractors or Suppliers in connection with this Agreement, other than any such act or omission made as necessary to comply with Province Policies in accordance with this Agreement; or

(b) any representation or warranty of the Service Provider under Section 24.2 (*Service Provider Representations, Warranties and Covenants*) (except Subsection 24.2(z)) or Section 32.5 (*Conflicts of Interest Policy*) of this Agreement being or becoming untrue or incorrect.

For clarity, the Service Provider will not be responsible for any Loss to the extent caused by one or more of the Province Indemnified Parties or other parties for whom the Province is responsible at law or under the terms of this Agreement, or any third party (excluding Subcontractors, Suppliers and any other third party for whom the Service Provider is responsible at law or under the terms of this Agreement).

25.3 Indemnification Claim Process.

Subject to any restrictions or other limitations contained in the *Crown Proceeding Act* (British Columbia), or other Applicable Laws:

(a) if the Province intends to seek indemnification under this Agreement from the Service Provider in respect of any Losses, then the Province will promptly give the Service Provider written notice of such Losses for indemnification; provided, however, that the failure of the Province to give the Service Provider such prompt notice will not relieve

the Service Provider of its obligations under this Agreement, except to the extent that such failure results in a material prejudice to the Service Provider's defence to such Losses;

(b) if the Service Provider receives a notice of any Losses pursuant to paragraph (a) above, then the Province will cooperate with the Service Provider and, where appropriate and in the discretion of the Province, will allow the Service Provider to control the defence of any third party Claim with respect to such Loss and any related settlement, it being acknowledged and agreed that where the Province determines that it is not so appropriate, then the Province will control the defence of such Claim and any related settlement; provided, however, that if the defendants in any such action include both the Province and the Service Provider, and the Province reasonably concludes that there may be legal defences available to it which are different from or additional to those available to the Service Provider, then the Province will have the right to select separate counsel, the cost of which will be at the Province's expense (without reimbursement by the Service Provider under an indemnity or otherwise) to assert such legal defences or to otherwise participate in the defence of such action on behalf of the Province;

(c) if the Province is entitled to indemnification under this Agreement as a result of a third party Claim, and if the Service Provider fails or chooses not to assume the defence of such Claim, or fails to proceed, then the Province may, at the expense of the Service Provider, contest (or, with or without the prior consent of the Service Provider, settle) such Claim. The Province will not otherwise settle any Claim with respect to which it has sought or intends to seek indemnification pursuant to this Agreement without the prior written consent of the Service Provider, which consent will not be unreasonably withheld or delayed; and

(d) if the Service Provider settles any third party Claim that it may be liable to provide indemnification pursuant to this Section without the prior written consent of the Province, which consent will not be unreasonably withheld or delayed (acknowledging that pursuant to the *Crown Proceeding Act* the Province is not required to obtain or provide such consent, and will not be required to do so pursuant to this provision); then if the Service Provider has reached a *bona fide* full and final settlement in respect of all Losses involving the Province and such plaintiff(s) in any such action with the plaintiff(s), and the Province does not (or is not asked to) consent to such settlement, the dollar amount specified in the settlement will act as an absolute maximum limit on the indemnification obligation of the Service Provider.

25.4 Mitigation.

Each Party has a duty to mitigate the Claims and Losses that would otherwise be recoverable from the other Party pursuant to this Agreement by taking appropriate and reasonable actions to reduce or limit the amount of such Claims and Losses. Without limiting the indemnity obligation of the Service Provider under Section 25.2 (*Indemnification by the Service Provider*), in defending a claim of infringement of third party Intellectual Property Rights, the Service Provider shall have the right to mitigate Losses by, at its own cost: (a) obtaining for itself and for the Province to the extent required a license or right to use the allegedly infringing material to the full extent contemplated in this Agreement; or (b) substituting the allegedly infringing material with a substitute of equivalent or better quality, performance and functionality.

25.5 Limitation of Liability.

(a) Subject to Subsection 25.5(b), the indemnification by the Service Provider under Section 25.2 (*Indemnification by the Service Provider*) is limited to in the aggregate for all Losses, an amount equal to the greater of: (i) $15,000,000; or (ii) the aggregate Fees paid or payable under this Agreement (including all Change Orders).

(b) The limitation set out in Subsection 25.5(a) does not apply to:

(i) a Loss resulting from or relating to any of the following:

(A) bodily injury or damage to real property or tangible personal property;

(B) third-party intellectual property rights;

(C) the Service Provider's breach of its obligations in this Agreement related to privacy, security, confidentiality, or request for access to Province materials;

(D) any deliberate and sustained cessation of a material portion of the Services without a bona fide attempt to resume such portion of the Services or to remedy the cause of such cessation;

(E) gross negligence or criminal (including theft), fraudulent or wilful misconduct on the part of the Service Provider;

(F) any violation by the Service Provider or Personnel of Applicable Law;

(G) inappropriate or non-permitted use of any Province Marks in breach of any terms or conditions of this Agreement;

(H) any third party Claim for salary, wages, benefits, termination or severance costs, or other compensation, as well as fines, penalties, and interest for or by reason of or in any way arising out of the Service Provider's failure to deduct, withhold, or contribute any amount in respect of withholdings, source deductions, premiums, contributions, or payments, for which the Service Provider is responsible in respect of Personnel;

(I) any Service Expansion or Other Services under a Change Order unless the exclusion under this Subsection 25.5(b)(i)(I) is expressly specified in the Change Order (with reference to this Subsection 25.5(b)(i)(I)) as not applying to such Services;

(J) provision by the Service Provider of any Complex Services; or

(K) the Service Provider's obligation to pay Fee Rebate Credits, Milestone Credits or any other similar credits against Fees; or

(ii) the indemnification obligations of the Service Provider under Section 21.12 (*Indemnity*) and Section 29.9 (*Other Liabilities*).

In paragraph (i) above (other than subparagraph (i)(K)), all references to the Service Provider will be deemed to include the Service Provider's agents, employees, independent contractors, officers, directors, Subcontractors or Suppliers, including Personnel and External Personnel, and all references to Personnel will be deemed to include External Personnel.

(c) The liability of the Service Provider to the Province under this Agreement for all Claims and Losses, other than Losses indemnified by the Service Provider under Section 25.2 (*Indemnification by the Service Provider*), is limited to $14,000,000 in the aggregate for all such Claims and Losses. For clarity, the limitation of liability under this Subsection 25.5(c) is discrete from the limitation of liability under Subsection 25.5(a) and does not apply to any Loss for which the Province may seek indemnification from the Service Provider under Section 25.2 (*Indemnification by the Service Provider*), whether or not such Loss is limited under Subsection 25.5(a) or excluded from such limitation under Subsection 25.5(b).

25.6 Performance Guarantee.

The Service Provider shall cause the Performance Guarantor to enter into, simultaneously with the execution of this Agreement, a duly executed Performance Guarantee, in the form attached as **Schedule 22** (*Performance Guarantee*).

25.7 Corporate Guarantee.

The Service Provider shall cause the Corporate Guarantor to enter into, simultaneously with the execution of this Agreement, a duly executed Corporate Guarantee, in the form attached to this Agreement as Schedule **Schedule 23** (*Corporate Guarantee*). If, at any time during the Term, the Province determines, based on reasonable cause, that the financial condition of the Corporate Guarantor has deteriorated or will likely deteriorate in a manner that could reasonably be expected to materially and adversely affect or impair its ability to fully perform its obligations under the Corporate Guarantee, the Province may, pursuant to the Change Order Process, require the Service Provider to provide, in replacement of the Corporate Guarantee, security to and in favour of the Province in the form of an irrevocable letter of credit or surety bond in an amount of $10,000,000 or such other mutually agreed amount as security for the performance and satisfaction of the liabilities and obligations of Service Provider under this Agreement, which security shall remain in force during the remaining Term and be in a form acceptable to the Province. The Service Provider acknowledges and agrees that the Province will have reasonable cause to determine that the financial condition of the Corporate Guarantor has deteriorated or will likely deteriorate in a manner that could reasonably be expected to materially and adversely affect or impair its ability to fully perform its obligations under the Corporate Guarantee if, without limiting the potential scope of grounds for such probable cause, any of the following has occurred: (a) there has been a material degradation in the financial strength of the Corporate Guarantor as reflected in the Corporate Guarantor's financial statements; (b) an Event of Insolvency with respect to the Corporate Guarantor has occurred; or (c) a material diminution of the Corporate Guarantor's credit rating.

ARTICLE 26 – INSURANCE

26.1 Insurance.

The Service Provider will procure and maintain at all times during the Term of this Agreement the insurance policies more particularly described in **Schedule 24** (*Insurance*), which will be underwritten by insurers licensed to carry on insurance business in Canada. The Service Provider acknowledges that the

Province is exempt from such insurance requirements as the Province is self-insured for all purposes. The Service Provider will not cancel any of the required insurance policies set out or contemplated in **Schedule 24** (*Insurance*) without 30 days prior written notice to the Province, and any such cancelled policy(ies) shall be replaced immediately without interruption in coverage.

26.2 Certificate of Insurance.

Within 10 Business Days of the Effective Date, the Service Provider will provide the Province with reasonable evidence of the obtaining or renewal of all insurances required to be obtained by the Service Provider. Such evidence will be in the form of a completed "Province of British Columbia Certificate of Insurance", and, if requested by the Province upon any actual or threatened Loss or Claim, the Service Provider must provide the Province copies of the relevant insurance policies. The Service Provider will provide completed Province of British Columbia Certificates of Insurance to evidence the continued existence of all required insurance coverage within 10 Business Days after the renewal, extension, modification or replacement of such insurance policies, and upon the request of the Province from time to time.

26.3 Adequacy of Insurance.

The Service Provider acknowledges that any requirement or advice by the Province as to the amount of coverage under any policy of insurance does not, and will not be deemed to, constitute a representation by the Province that the amount required under such insurance is adequate, and the Service Provider acknowledges and agrees that it is solely responsible for obtaining and maintaining its own policies of insurance in such amounts as the Service Provider will determine to be appropriate , subject to the minimum requirements set out on **Schedule 24** (*Insurance*). For greater certainty, the Service Provider will obtain, maintain and pay for any additional insurance which the Service Provider is required by law to carry, or which the Service Provider considers necessary to cover risks not otherwise covered by insurance specified in **Schedule 24** (*Insurance*) in the Service Provider's sole discretion and: (a) wherever possible, the Province shall be added as additional insured under any such additional policies of insurance; and (b) evidence of each additional insurance policy shall be provided to the Province in accordance with Section 26.2 (*Certificate of Insurance*).

26.4 Workers Compensation.

(a) Without limiting the generality of the Service Provider's obligation to comply with all Applicable Laws, the Service Provider must comply with, and must ensure that any Subcontractors comply with, all applicable occupational health and safety laws in relation to the performance of the Service Provider's obligations under the Agreement, including the W*orkers Compensation Act* in British Columbia or similar laws in other jurisdictions.

(b) The Service Provider must ensure that any Subcontractors apply for and maintain personal optional protection insurance (consisting of income replacement and medical care coverage) during the Term if:

(i) the Subcontractor is an individual or a partnership of individuals and does not have the benefit of mandatory workers compensation coverage under the *Workers Compensation Act* or similar laws in other jurisdictions; and

(ii) such personal optional protection insurance is available for the Subcontractor from WorkSafeBC or other sources.

(c) Within 10 Business Days of being requested to do so by the Province, the Service Provider must provide the Province with evidence of the Service Provider's compliance with the above provisions of this Section 26.4.

ARTICLE 27 – DISPUTE RESOLUTION

27.1 Informal Dispute Resolution.

In the event of any Dispute, the Parties will use reasonable efforts to settle such Dispute internally and will consult and negotiate with each other, in good faith and having regard to the Shared Vision, Guiding Principles and Objectives, in an effort to reach a fair and equitable solution satisfactory to the Parties. Prior to the initiation of formal dispute resolution procedures, the Parties will first attempt to informally resolve any dispute, controversy or Claim (including any failure by the Parties to reach agreement where expressly provided for in this Agreement) arising under or in connection with this Agreement as follows:

(a) the Operations and Expansion Management Team will attempt to resolve the Dispute informally by meeting as often, for a duration and as promptly as the Operations and Expansion Management Team deems necessary, to discuss the Dispute and negotiate in good faith in an attempt to resolve the Dispute;

(b) if the Operations and Expansion Management Team is unable to resolve the Dispute within 10 Business Days, then either Party may refer the Dispute to the Operations and Expansion Leadership, and the Operations and Expansion Leadership will attempt to resolve the Dispute informally by meeting as often, for a duration and as promptly as the Operations and Expansion Leadership deems necessary, to discuss the Dispute and negotiate in good faith in an attempt to resolve the Dispute;

(c) if the Operations and Expansion Leadership is unable to resolve the Dispute within 10 Business Days, then either Party may refer the Dispute to the Executive Leadership, and the Executive Leadership will promptly schedule a meeting to discuss the Dispute and negotiate in good faith in an attempt to resolve the Dispute;

(d) the Executive Leadership will meet as often and as promptly as the Parties deem necessary to discuss the Dispute and negotiate in good faith in an effort to resolve the Dispute;

(e) during the course of all discussions referred to in paragraphs (a) to (d) above, all reasonable requests made by one Party to another for non-privileged information, reasonably related to the Dispute, will be provided by the other Party so that both Parties may be fully apprised of the other's interests in the Dispute and resulting positions and interests. The specific format for such discussions will be decided by mutual agreement of the Parties, but may include the preparation of agreed-upon statements of fact or written statements of position or interest;

(f) if the Executive Leadership does not resolve the Dispute within 10 Business Days of the referral of the Dispute to the Executive Leadership (or such longer period to which the Parties may agree), then either Party may upon written notice to the other Party (the "**Mediation Notice**") elect to submit the Dispute to non-binding mediation, and if such Mediation Notice is accepted in writing within five Business Days of receipt thereof, then the Parties will proceed to mediation in accordance with paragraph (g) below. For greater clarification, either Party may elect to bypass mediation, in which case, the

Dispute will be settled by binding arbitration in accordance with Section 27.2 (*Arbitration*);

(g) if the Dispute is referred to non-binding mediation in accordance with paragraph (f) above, then the Parties will thereafter attempt to promptly agree upon and appoint a sole mediator. If the Parties are unable to agree upon a mediator within five Business Days after the effective date of the Mediation Notice (or such longer period as the Parties may agree), then the Parties will bypass mediation and proceed to arbitration in accordance with Section 27.2 (*Arbitration*);

(h) if the Parties agree upon a mediator within the time required pursuant to paragraph (g) above, then the mediation will be conducted at a time, in a city in British Columbia and at a specific location as may be agreed to by the Parties with the mediator, or if the Parties cannot agree, as so designated by the mediator. The mediation will be held within five Business Days after the mediator is appointed. If any Party has substantial need for information from another Party in order to prepare for the mediation, then the Parties will use reasonable efforts to agree on procedures for the formal exchange of information. Each Party will be represented in the mediation by at least an individual with authority to settle the Dispute on behalf of that Party and, if desired by that Party, by legal counsel for that Party. The Parties' representatives in the mediation will continue with the mediation as long as the mediator reasonably requests, but in no event longer than seven days from the first day that the Parties meet to commence mediation. Unless otherwise agreed to in writing by the Parties, each Party will pay one-half of the mediator's fees and expenses and will bear all of its own expenses in connection with the mediation. No Party may employ or use the mediator as a witness, consultant, expert, counsel or other similar position regarding the Dispute or any related matters; and

(i) if the Parties are unable to resolve the Dispute by mediation, or if either Party elects to bypass mediation entirely, then the matter will be referred to binding arbitration in accordance with Section 27.2 (*Arbitration*).

27.2 Arbitration.

Subject to the provisions of Section 25.2 (*Indemnification by the Service Provider*), Section 27.3 (*Expedited Dispute*) and Section 27.4 (*Special Arbitration*), any Dispute that is not settled in accordance with Section 27.1 (*Informal Dispute Resolution*), will be settled at the request of either Party by binding arbitration in Victoria, British Columbia in accordance with the *Arbitration Act* (British Columbia) on the following terms:

(a) all hearings will be in held and kept confidence;

(b) the arbitration will be heard before one arbitrator, or a panel as determined in accordance with Section 27.6 (*Arbitrators*);

(c) unless the Parties agree otherwise in writing, all arbitrators will either be:

(i) a lawyer in good standing with the Law Society or equivalent body in all jurisdictions in Canada where that lawyer is called to the bar,

(ii) a retired lawyer who was previously in good standing with the Law Society or equivalent body in all jurisdictions in Canada where that lawyer was previously called to the bar before that lawyer's retirement; or

(iii) a retired judge;

(d) no individual may be appointed as an arbitrator if that individual is (but for the appointment as arbitrator in connection with a Dispute under this Agreement) or was directly involved in matters relating to this Agreement, the Dispute or the Services to be performed by the Service Provider under this Agreement;

(e) all arbitrators selected or otherwise appointed to hear a Dispute will have experience in complex, commercial outsourcing engagements and be skilled or knowledgeable in the subject matter of the Dispute;

(f) if the arbitration is heard before a panel of three arbitrators, then the decision of the arbitration panel will be made by a majority vote;

(g) judgment upon the award rendered in any such arbitration may be entered in any court having competent jurisdiction;

(h) the Parties will direct the arbitrator (or arbitrators) to make an award of costs, which award will include the remuneration and expenses and any related administrative fees that are charged by the arbitrator (or arbitrators) in connection with the arbitration of the Dispute, as well as the costs and expenses incurred by each Party in preparing for and participating in the arbitration (including the costs related to retaining legal counsel), and the Parties will pay all such costs in accordance with the direction of the arbitrator (or arbitrators);

(i) the Parties will instruct the arbitrator (or arbitrators) to make the final award with respect to the Dispute within 60 days after the hearings have been closed, or such other reasonable period of time (not to be less than 30 days), as may be agreed to in writing by the Parties before the commencement of the arbitration hearings and so notified in writing to the arbitrator (or arbitrators);

(j) notwithstanding anything to the contrary in the *Arbitration Act* (British Columbia):

(i) the same procedural requirements and rights of discovery as are available under the British Columbia Rules of Court will apply, *mutatis mutandis*, except that the arbitrator (or arbitrators) may make adjustments to the time limits contained in such Rules of Court,

(ii) the laws and rules of evidence applicable in the Courts of British Columbia will apply, and the arbitrator (or arbitrators) may only require the production of relevant documentary and testimonial evidence not protected by the solicitor-client privilege, and

(iii) the arbitrator (or arbitrators) will adjudicate the Dispute by reference to law in accordance with Section 23 of the *Arbitration Act* (British Columbia), including the precedent of other Court decisions, statutory laws, and laws of interpretation, as would be followed by a Court having competent jurisdiction, and the Parties

expressly agree that the Dispute will not be decided upon the law of equity or some other similar basis;

(k) the arbitrator (or arbitrators) will have no power or authority to grant any award or permit any other recourse that would be precluded by the terms of this Agreement, and nor will the arbitrator (or arbitrators) have the power to make any award that addresses matters outside the scope of the Dispute; and

(l) the Parties will be bound by any award issued by the arbitrator (or arbitrators), which award the Parties agree to be bound by and to accept as a final and binding award.

27.3 Expedited Dispute.

Certain Disputes are expressly designated as Expedited Disputes under the terms of this Agreement, and in particular, Section 8.6 (*Implementation of Mandatory Changes*) and as may be specifically provided for in any Schedule to this Agreement. All such Disputes designated as Expedited Disputes shall follow the step-by-step resolution procedures set forth below to the extent necessary to resolve the Dispute, without first having to comply with the provisions of Section 27.1 (*Informal Dispute Resolution*) or Section 27.2 (*Arbitration*):

(a) the Expedited Dispute resolution process shall be commenced by a notice from either Party to the other referring to this Subsection 27.3(a) and setting out the matter that is to be resolved as an Expedited Dispute and such notice shall constitute the commencement of the Dispute Resolution Process in respect of such Expedited Dispute;

(b) the Operations and Expansion Leadership will attempt to resolve the Dispute informally by meeting as often, for a duration and as promptly as the Operations and Expansion Leadership deems necessary, such period not to exceed three Business Days, to discuss the Dispute and negotiate in good faith in an attempt to resolve the Dispute;

(c) if the Dispute is not resolved within the time period specified in Subsection 27.3(b), the Dispute will be escalated to the Executive Leadership, which will attempt to resolve such Dispute informally by meeting as often, for a duration and as promptly as those representatives deem necessary, but for a period not to exceed three Business Days, to discuss the Dispute and negotiate in good faith in an attempt to resolve the Dispute;

(d) if the Executive Leadership is unable to resolve the Dispute within the applicable time period described in Subsection 27.3(c), then either Party may refer to the Dispute to arbitration. The Expedited Dispute will be settled by binding arbitration in Victoria, British Columbia in accordance with the *Arbitration Act*), in the presence of one arbitrator subject to the following:

(i) submissions being required to be made within 20 Business Days of the arbitrator being appointed,

(ii) the arbitrator being required to render a decision within 20 Business Days of receipt of the submissions, and

(iii) each Party shall pay its own costs and expenses and one-half (1/2) of the arbitrator costs, except in the event of extraordinary or extenuating circumstances where, in the judgment of the arbitrator, having regard to all of the surrounding

circumstances, it would be inequitable or otherwise inappropriate to do so, in which case, the Parties shall pay the costs of the arbitrator in accordance with the final apportionment thereof by the arbitrator.

27.4 Special Arbitration.

In the event the Parties decide to resolve certain Disputes by special arbitration, then the Parties will follow the step-by-step resolution procedures set forth in Section 27.1 (*Informal Dispute Resolution*) and to the extent applicable, Section 27.2 (*Arbitration*), provided that the following provisions will apply in respect of any such arbitration:

(a) for purposes of Subsection 27.2(i) (*Arbitration*), the arbitrator (or arbitrators) will be instructed to make an award by selecting the submission of one Party over the other, which selected submission will constitute the award of the arbitrator (or arbitrators, if applicable), provided that any award of costs contained in such submission may be removed by the arbitrator (or arbitrators, if applicable) and replaced with an award of costs determined by the arbitrator (or arbitrators, if applicable) in accordance with the provisions of Subsection 27.2(h) (*Arbitration*);

(b) if any submission includes matters that are outside the scope of the Dispute contemplated then the arbitrator (or arbitrators, if applicable) will discard the submission in its entirety as not being in compliance with the scope of the Dispute, and select the other submission for purposes of paragraph (a) above, and if both submission are discounted in their entirety as a result of the application of the provisions of this paragraph, then the arbitrator (or arbitrators) will instruct the Parties, in writing, to resubmit new submissions without such provisions which are outside the scope of the Dispute; and

(c) for greater clarification, the arbitrator (or arbitrators, if applicable) will not have any jurisdiction, power or authority to grant an award other than as provided for in this Section 27.4 (Special *Arbitration*).

27.5 Confidentiality.

The proceedings of all negotiations, mediations and arbitrations as part of the Dispute Resolution Process will at all times be privately conducted. The Parties agree that all statements and other communications made during the Dispute Resolution Process including, without limitation, offers of settlement, settlement terms and all documents or other materials created for the purposes of the Dispute Resolution Process:

(a) are made on a without prejudice basis;

(b) do not constitute an admission or waiver of rights; and

(c) will not be offered into evidence, disclosed or used for any other purpose other than the Dispute Resolution Process.

During the Dispute Resolution Process, no Party is required to disclose to the other Party any information, documents or materials with respect to which they claim privilege; however, if as part of the Dispute Resolution Process a Party should disclose to the other Party information, documents or materials with respect to which they claim privilege or any information, documents or materials which they regard and identify as confidential or proprietary, then the other Party will maintain the confidentiality of the information, documents or materials so obtained and, to the extent permitted by law, any such disclosure

will not constitute a waiver of any privilege or confidentiality. The Parties agree that any information regarding the Dispute Resolution Process, including any decisions or awards made, will not be disclosed to any third parties or used for any purpose other than the Dispute Resolution Process, unless the Parties otherwise agree; provided that nothing in this provision will prevent such disclosure as may be necessary to enforce any arbitration awards.

27.6 Arbitrators.

The arbitration panel shall be composed of one person appointed by the Party requesting the arbitration, one person appointed by the other Party and a third person chosen by the two arbitrators, or if both Parties agree, the arbitration panel will consist of one person as chosen by both Parties.

27.7 Exceptions to Dispute Resolution Procedure.

The provisions of this Article 27 (*Dispute Resolution*) will not be construed to prevent a Party from:

(a) seeking a temporary restraining order or injunctive or other equitable relief with respect to a breach (or attempted breach) of this Agreement by the other Party, to the extent such remedies are available to a Party pursuant to Applicable Law (including, without limitation, the *Crown Proceeding Act* (British Columbia)); or

(b) instituting litigation or other formal proceedings to the extent necessary and available pursuant to Applicable Law:

(i) to enforce arbitration awards or orders for injunctive or other similar relief,

(ii) to avoid the expiration of any applicable limitations period, or

(iii) to preserve a position with respect to other creditors.

27.8 Continuity of Services.

The Service Provider acknowledges that the timely and complete performance of its obligations pursuant to this Agreement is critical to the business and operations of the Province and the continuity of the Services. Accordingly, in the event of a Dispute, and at all times before, during and after the Dispute Resolution Process:

(a) the Service Provider will continue to so perform its obligations and to deliver the Services under this Agreement in good faith during the resolution of such Dispute; and

(b) the Province will continue to pay all Fees payable by the Province to the Service Provider in accordance with the terms of this Agreement, other than those Fees which are in Dispute and withheld from payment in accordance with the provisions of Section 16.8 (*Disputed Payments*).

ARTICLE 28 – DEFAULT AND TERMINATION

28.1 Service Provider Material Breach.

The Service Provider will be in material breach of its obligations under this Agreement upon the occurrence of any one or more of the following events (each a "**Material Breach**"):

(a) an Event of Insolvency in respect of the Service Provider, the Performance Guarantor or the Corporate Guarantor;

(b) if the Service Provider, the Performance Guarantor or the Corporate Guarantor ceases or threatens to cease to carry on business;

(c) any direct or indirect assignment of this Agreement by the Service Provider contrary to the provisions of Section 31.2 (*Assignment by the Service Provider*);

(d) there is, without the Approval of the Province, a corporate or other similar structural reorganization of the Service Provider, the Performance Guarantor or the Corporate Guarantor, except for those corporate or other similar structural reorganizations that:

(i) do not result in a direct or indirect assignment of this Agreement by the Service Provider contrary to the provisions of Section 31.2 (*Assignment by the Service Provider*);

(ii) do not adversely affect the Performance Guarantee or the Corporate Guarantee in any way, or the ability of the Performance Guarantor or the Corporate Guarantor to perform their respective obligations under the Performance Guarantee or the Corporate Guarantee respectively (including, in the case of the Performance Guarantor, to comply with the provisions of the Privacy Obligations); and

(iii) there is no increased risk of a breach of, or an actual breach of, the Privacy Obligations, as determined by the Province in its sole discretion;

(e) any disclosure of Personal Information pursuant to a Disclosure Order, where any director, officer or Manager of the Service Provider or its Subcontractors (or any other Person having similar authority to the foregoing) authorizes, permits or acquiesces in the disclosure of Personal Information pursuant to a Disclosure Order;

(f) any storing, allowing access to, disclosure or use of Personal Information, Province Data or Confidential Information contrary to the provisions of Article 17 (*Privacy, Security and Confidentiality*), **Schedule 18** (*Privacy Schedule)* or **Schedule 19** (*Security Schedule*) or the Service Provider otherwise failing to comply with Article 17 (*Privacy, Security and Confidentiality*), **Schedule 18** (*Privacy Schedule)* or **Schedule 19** (*Security Schedule*) in any material respect;

(g) failing to report the disclosure of Personal Information that is referred to under paragraph (f) above to the Province, provided that the Service Provider will not have committed a Material Breach of this Agreement pursuant to this paragraph (g) until such time as an individual who is a director, officer, Manager or in a Key Position is aware, or ought to have been aware, of such unauthorized access, disclosure or use of Personal Information,

and has been provided with reasonable opportunity to report such unauthorized access, disclosure or use to the Province;

(h) taking action against an employee contrary to the provisions of Section 32 of **Schedule 18** (*Privacy Schedule*) which affords whistleblower protection to employees, provided that:

(i) where the Service Provider disputes that it has taken action against an employee contrary to **Schedule 18** (*Privacy Schedule*), the Service Provider will not have committed a Material Breach of this Agreement as a result thereof until such matter is determined as between the Service Provider and the employee by an agreement in writing, or as a result of an arbitration or court proceeding, as the case may be, where all appeals with respect thereto have been exhausted, or the time to file an appeal has expired without a notice of appeal having been filed, as the case may be, and provided that the Service Provider is proceeding reasonably with respect to any dispute with such employee, and

(ii) in connection therewith, the Province will have regard to all of the surrounding circumstances leading up to any such actions taken by the Service Provider against the employee, including any use of the whistleblower protection provisions by such employee in order to prevent any disciplinary actions being taken by the Service Provider against such employee for other reasons;

(i) the occurrence of an Outcome-based Termination Event;

(j) any theft, fraud or other misappropriation of the Province's funds by the Service Provider, its Personnel or its Subcontractors or their External Personnel;

(k) if the Service Providers fails to complete the Initial Transition by the Hand-Over Date for any reason (other than the fault of delay of the Province);

(l) any matter that is described in this Agreement as constituting a "Material Breach" for which no cure period is provided, and if a cure period is provided, then upon the failure of the Service Provider to rectify such breach within the applicable cure period therefor, or where such breach is not capable of being rectified within such cure period, then if the Service Provider fails to take or continue to take such steps and actions as may be necessary to rectify such breach, and in either case, to the satisfaction of the Province; or

(m) if the Service Provider breaches or defaults in the performance of any of its other material obligations under this Agreement (other than a Service Level), which has an adverse effect upon the Province, and the Service Provider fails to rectify such breach within 30 days (or such longer period as may be agreed to by the Province on a case-by-case basis) of its receipt of a written notice from the Province requesting it to do so, or where such breach is not capable of being rectified within 30 days (or such longer period as may be agreed to by the Province on a case-by-case basis), the Service Provider fails to take or continues to take such steps and actions as may be necessary to rectify such breach, and in either case, to the satisfaction of the Province.

28.2 Remedies of the Province for Material Breach by the Service Provider.

Without the requirement for the Province to resort to the Dispute Resolution Process under Article 27 *(Dispute Resolution)* and without limiting any other rights or remedies that the Province may have at law, in equity, or as otherwise set forth in this Agreement, upon the occurrence of a Material Breach, the Province may invoke any one or more of the following remedies:

(a) subject to Article 25 (*Indemnification, Liability and Guarantees*), require that the Service Provider reimburse the Province for any Losses of the Province in connection with such Material Breach including, without limitation, any Losses incurred by the Province in connection with any steps taken by the Province pursuant to paragraph (b) below, and if the Service Provider disputes the occurrence of the Material Breach or the Losses suffered by the Province, then such Dispute shall be resolved by the Parties under Article 27 (*Dispute Resolution*);

(b) where such Material Breach involves a breach by the Service Provider of the Privacy Obligations, take such steps as may be deemed necessary by the Province in its sole discretion to cure such Material Breach including, without limitation, performing any Services or procuring or otherwise obtaining Services from any other service provider or providers during the period of time which the Material Breach remains uncured; and

(c) in addition to all other rights and remedies provided for in this Section, the Province may immediately terminate this Agreement or any Service by delivery of a Termination Notice to the Service Provider, provided that Province shall not be entitled to terminate this Agreement or any Service in accordance with this paragraph (c) as a result of a Material Breach referred to in Subsection 28.1(l) or 28.1(m) (*Service Provider Material Breach*), until such time as the Service Provider shall have failed to comply with the curative provisions for the Material Breach that are set out therein.

28.3 Material Breach by Province.

The Province will be in material breach of its obligations under this Agreement (a "**Province Material Breach**") if the Province fails to pay when due, subject to Sections 16.6 (*Right of Set-Off*) and 16.8 (*Disputed Payments*), an amount in excess of the Material Breach Amount payable by the Province to the Service Provider pursuant to this Agreement that has not been subject to a Dispute (or an agreement between the Parties in settlement of a Dispute, whether through arbitration, mediation or otherwise), and the Province fails to rectify such failure within 60 days of its receipt of a written notice from the Service Provider of such failure, such notice to state in detail the nature and specifics of the failure. The Service Provider may extend such 60 day period, in its sole discretion, for such additional period of time upon written notice of such extension to the Province.

28.4 Remedies of the Service Provider for Material Breach by the Province.

Upon the occurrence of the Province Material Breach, the Service Provider may suspend the provision of the Services that are of equivalent value (determined on a monthly basis) to the amount that remains unpaid and which is not subject to a Dispute. Subject to Section 6.14, this Section represents the Service Provider's sole remedy in respect of any default or breach by the Province under this Agreement.

28.5 Termination by Province for Convenience.

Notwithstanding any other provision contained in this Agreement, the Province may terminate this Agreement or any Service for convenience, for any reason or for no reason, on not less than six months prior written notice to the Service Provider at any time during the Term. For the purposes of this Section 28.5 (*Termination by the Province for Convenience*), the Termination Date will be the date stated in the Termination Notice. If this Agreement or any Service is terminated for convenience in accordance with this Section 28.5 (*Termination by the Province for Convenience*), then the Province will pay to the Service Provider a Termination for Convenience Fee calculated in accordance with **Schedule 17** (*Fees and Economic Model*). For clarity, this Section 28.5 (*Termination by Province for Convenience*) does not limit the Province's right to discontinue any specific Service pursuant to a Change Order.

28.6 Termination Notice.

Any Termination Notice from one Party to the other under this Agreement will specify the Termination Date, the grounds of termination (if applicable), the reasonable particulars of the surrounding circumstances giving rise to the grounds of termination, and if the Party providing the Termination Notice is the Province, whether any Termination Services will be required by the Province.

28.7 Termination Fees.

The responsibilities of the Service Provider and the Province for termination fees in connection with the Termination of this Agreement are set out in **Schedule 17** (*Fees and Economic Model*).

28.8 Consequences of Termination Prior to the Hand-Over Date.

Where this Agreement is terminated:

(a) as a result of a failure to complete the Initial Transition by the Hand-Over Date for any reason other than the Province failing to perform a Province Dependency on or before the applicable Province Dependency Target Date, then, the Service Provider will not be entitled to receive any further payment or compensation from the Province; and

(b) by the Province pursuant to Section 28.5 (*Termination by the Province for Convenience*) prior to the Hand-Over Date, then the Service Provider will not be entitled to receive any payments or other compensation from the Province except for: (i) the payment of any unpaid Fees owing by the Province to the Service Provider for the performance of Services pursuant to the terms of this Agreement up to the Termination Date; and (ii) a Termination for Convenience Fee calculated in accordance with **Schedule 17** (*Fees and Economic Model*).

ARTICLE 29 – TERMINATION SERVICES

29.1 Termination Services.

During the Termination Assistance Period, the Service Provider will provide the Province with the services set forth below (collectively and in each case, the "**Termination Services**"):

(a) upon the Province's request, assistance to the Province with respect to its describing the applicable Services that will be the subject of a competitive procurement process, bid specification or similar document in respect of the applicable Services;

(b) cooperation with and assistance to the Province or an Alternative Service Provider in order to facilitate the transfer of the applicable Services to the Province or an Alternative Service Provider, as the case may be, in an orderly, effective and efficient manner and without any material interruptions or adverse effects to the Services so transferred;

(c) answers to all reasonable questions from the Province or an Alternative Service Provider regarding the applicable Services;

(d) copies of:

(i) the Documentation in electronic format, hard copy or both, as may be requested by the Province including, without limitation, a current listing and copies of all documented operational processes and procedures relating to the provision of the applicable Services as outlined in the Documentation, and

(ii) detailed lists and descriptions of all Services which are then being provided (including volumes, Achieved Service Levels, up-to-date process maps, workflow charts, and other available policy and procedure documentation), technical information and technical descriptive documentation, and documentation of current configurations, to the extent not already included in the Documentation;

(e) assistance with the provision of mutually agreed training for those Persons designated by the Province who will be assuming responsibility for the applicable Services following the Termination Date;

(f) copies of Subcontracts relating to the delivery of the applicable Services (whether or not expired with the Term of this Agreement), and provided that such Subcontracts were in use or otherwise in effect within three years preceding the Termination Date;

(g) a general list of third party Software licensed and used by the Service Provider during the ordinary course of performing the applicable Services (the "**Termination Licensed Software**") on the Termination Date, and the Service Provider will, on the Termination Date or if the Service Provider requires the continued use of the Termination Licensed Software in order to perform the Termination Services, upon such date that the Service Provider no longer requires such use or otherwise on the expiry of the Termination Assistance Period, whichever date is the later, assign and transfer all rights and obligations of the Service Provider with respect to the Termination Licensed Software to the Province at no additional cost to the Province;

(h) a list of the Province Proprietary Software or Service Provider Software and all Modifications thereto used in providing the applicable Services, and copies of all Software and Modifications thereto which is being licensed to the Province in accordance with Article 20 (*Intellectual Property and Proprietary Rights*), or for which the license is being transferred to, or assumed by, the Province or an Alternative Service Provider, and all Source Code for such Software and Modifications for which the Service Provider has access, custody or control;

(i) detailed descriptions of the Systems used in the delivery of the applicable Services sufficient to permit the Province or an Alternative Service Provider to assume control of

the provision of the applicable Services or to obtain and implement functional replacements therefor;

(j) assistance with appropriate testing of the Province's transition and migration procedures;

(k) assistance with respect to the transfer of relevant assets to the Province or an Alternative Service Provider in accordance with Section 29.6 (*Transfer of Assets, Contracts and Software*);

(l) the performance of the Service Provider's obligations under the Termination Assistance Plan;

(m) the continued provision in whole or in part of the Services after the end of the Term in connection with the Province's repatriation of the Services, in whole or in part, or the orderly transition, wind-down and migration of the Services, in whole or in part, to an Alternative Service Provider, as the case may be;

(n) otherwise provide assistance and information requested by the Province in order to enable the smooth transition of the management of the applicable Services from the Service Provider to the Province or an Alternative Service Provider; and

(o) those matters referred to in Section 29.2 (*Termination Assistance Plan*), Section 29.6 (*Transfer of Assets, Contracts and Software*) and Section 29.7 (*Additional Termination Arrangements*).

The specific Termination Services to be provided by the Service Provider, including the Termination Services in respect of the foregoing, will be described more fully in the Termination Assistance Plan.

The Service Provider and the Province acknowledge and agree that the Termination Services are to: (A) facilitate, in an orderly, effective and efficient manner, without delay the Province's orderly repatriation of the Services, in whole or in part, or the orderly transition and migration of the Services, in whole or in part, to an Alternative Service Provider, as the case may be, and in either the case of repatriation or transition to an Alternate Service Provider, in an effective and efficient manner, and with minimal disruptions or adverse effect to the delivery of the Services (including ensuring the Province is well-informed regarding the manner in which the Services were delivered, which includes, by way of example, the Service Provider's compliance with Sections 6.9 (*Documentation*), 6.10 (*Manual Requirements*) and 6.11 (*Knowledge Transfer*)); or (B) to facilitate, in an orderly, effective and efficient manner, without delay the cessation or wind-down of any Service.

29.2 Termination Assistance Plan.

As part of the Termination Services, the Service Provider will develop and deliver a termination assistance plan for the transition of the applicable Services from the Service Provider to the Province or to an Alternative Service Provider, as the case may be, in the manner set forth in this Article 29 (*Termination Services*) (the "**Termination Assistance Plan**") as agreed to by the Province and the Service Provider. For purposes thereof, the Service Provider has developed the framework for the Termination Assistance Plan. Such framework for the Termination Assistance Plan will be reviewed by the Service Provider and Province through the Governance Process on an annual basis. As part of the Termination Services, immediately upon the commencement of the Termination Assistance Period, the Service Provider will, in consultation with the Province and such other persons as the Province may direct, commence in good faith and with all reasonable diligence to develop the complete Termination

Assistance Plan based upon the framework described above, and setting out in detail the specific tasks to be accomplished by the Service Provider and the Province, and a schedule pursuant to which the tasks are to be completed. Such Termination Assistance Plan will, at a minimum, provide for the following:

(a) a communications plan for Personnel, Subcontractors and other interested parties;

(b) details of the reversion or transfer of the applicable Systems, the Personal Information, the Province Records, other Province Confidential Information, Province Proprietary Software and other materials and information to which the Province is entitled upon the Termination of this Agreement;

(c) a plan for the transfer of incomplete projects, if any;

(d) a plan for the transfer of tangible personal property and the transfer or assignment of applicable contracts;

(e) support for Systems and Software testing to be carried out by the Province or an Alternative Service Provider in connection with the transfer or licensing of any Systems and Software;

(f) employee training;

(g) any modifications to the applicable Services to be provided during the Termination Assistance Period and the date or dates on which responsibility for the provision of the applicable Services or portions thereof are to be transferred to the Province or an Alternative Service Provider;

(h) any modifications to the Fees to take into account the planned reduction in Services and any increased or decreased costs associated with providing reduced Services over time that are agreed to in accordance with Section 29.3 *(Quality of Services)*;

(i) processes, methods and timelines in respect of the delivery of the Termination Services; and

(j) the anticipated conclusion date for the completion of the Termination Services; and

(k) such other tasks or details requested by the Province in its sole discretion.

The Service Provider and the Province will monitor the performance of the Termination Services and the Termination Assistance Plan on a regular basis through the Governance Process. The Service Provider and the Province agree to provide to each other reasonably sufficient information to create or update the Termination Assistance Plan as required in accordance with the terms of this Agreement. The Service Provider and the Province will revise and update the Termination Assistance Plan from time to time during the Termination Assistance Period.

29.3 Quality of Services.

The quality and level of performance of the Services by the Service Provider during the Termination Assistance Period will meet the applicable Service Levels then in effect. The Service Provider will continue to provide the applicable Services during the Termination Assistance Period unless the Province expressly requests the permanent or temporary discontinuation thereof (or a portion thereof). Any

permanent or temporary discontinuation of the applicable Services or any part thereof will be set out in the Termination Assistance Plan, or otherwise implemented through the Change Order Process.

29.4 Charges for Termination Services.

During the Term, the Service Provider will provide the Termination Services in the ordinary course of its delivery of the Services at no additional cost or charge to the Province, using all available Personnel and External Personnel. Any Termination Services delivered during the Term that have a material impact on the delivery and performance of the other Services will be deemed to be a Mandatory Change and will be addressed in the manner set forth in Article 8 (*Change Process*). After the Term, all Termination Services will be provided at the T&M Rates or Cost-Only Time and Materials Rates, as applicable, in accordance with a budget jointly prepared by the Parties and forming part of the Termination Assistance Plan and based upon the following:

(a) where the Termination is as a result of (i) the expiry of an applicable Initial Term or Extension, as the case may be, (ii) Province Material Breach, or (iii) Province Termination for Convenience, the T&M Rates will apply; and

(b) in respect of all other Terminations, the Cost-Only Time and Material Rates will apply.

29.5 Extension of Termination Services.

If the Province is unable to complete the transition of the applicable Services to the Province or an Alternative Service Provider, as the case may be, by the end of Termination Assistance Period, then upon not less than 30 days prior written notice to the Service Provider, the Province may elect to extend the Termination Assistance Period for one additional period of up to six months beyond the then-effective date of the expiry of the Termination Assistance Period.

29.6 Transfer of Assets, Contracts and Software.

Upon Termination, for any reason, of this Agreement, and in connection with the transfer of the responsibility for the performance of the applicable terminated Services to the Province or an Alternative Service Provider, as the case may be, the following provisions will apply:

(a) the Province or its Alternative Service Provider, as the case may be, will have the right (but not the obligation, unless specifically provided otherwise elsewhere in this Agreement) to purchase, or assume the lease of (as applicable), all applicable Dedicated Assets and applicable Designated Contracts from the Service Provider, and the Service Provider will, if such option is exercised, transfer, sell and assign the same to the Province or an Alternative Service Provider, as applicable, on the following terms:

(i) unless otherwise agreed in writing between the Parties or pursuant to the terms of the final Termination Assistance Plan, the effective date of transfer of such Dedicated Assets from the Service Provider to the Province or an Alternative Service Provider, as the case may be, will be on the Termination Date,

(ii) unless otherwise agreed in writing between the Parties or pursuant to the terms of the final Termination Assistance Plan, the effective date of transfer of such Designated Contracts from the Service Provider to the Province or an Alternative Service Provider, as the case may be, will be on the Termination Date, provided that, in the event more than one Province requires such Designated Contract, the

Service Provider will use commercially reasonable efforts to ensure the Province or their Alternative Service Provider has the option to enter into an agreement with the Third Party on terms and conditions that are the same in all material respects to the Designated Contract,

(iii) the Service Provider will be responsible for obtaining all necessary consents, approvals, authorizations, notices, requests and acknowledgements necessary to assign, transfer and convey such Designated Assets and Designated Contracts to the Province or an Alternative Service Provider hereunder, together with all applicable third party and Service Provider warranties associated therewith,

(iv) the purchase price for such Dedicated Assets owned (and not leased) by the Service Provider will be the fair market values of such assets, which the Parties agree will be an amount equal to the net book value of such Dedicated Assets on the books and records of the Service Provider, recorded in accordance with GAAP,

(v) the Service Provider will sell such Dedicated Assets to the Province or an Alternative Service Provider on an "as-is" basis, free and clear of all Liens,

(vi) notwithstanding the provisions of paragraph (v) above, upon the exercise of the option to purchase such Dedicated Assets as contemplated under this paragraph (a), and prior to the selection of such Dedicated Assets by the Province or an Alternative Service Provider for transfer hereunder, the Service Provider will provide the Province with a written notice setting forth which, if any, of such Dedicated Assets are not in good working order, normal wear and tear excepted, or are not eligible (where applicable) for maintenance and support services without payment of additional fees or expenses other than ordinary ongoing maintenance and support charges,

(vii) in the case of Dedicated Assets leased by the Service Provider for which the Province or an Alternative Service Provider wishes to acquire the lease, the Service Provider will assign the lease of such Dedicated Assets to the Province or an Alternative Service Provider, on an "as-is" basis free and clear of all Liens other than the interest of the lesser thereof, or such Liens as may have been granted therein by the lessor, and

(viii) any and all transfer and title fees, Taxes and charges in connection with the transfer of such Dedicated Assets under this Section will be borne by the Province;

(b) in respect of any Termination Licensed Software that is being used by the Service Provider to provide the applicable Services (other than off-the-shelf shrink wrap or click wrap Software), at the option of the Province or an Alternative Service Provider, the Service Provider will transfer or assign the license for such Termination Licensed Software to the Province or the Alterative Service Provider, as the case may be, at no additional cost (other than the requirement for the Province or an Alternative Service Provider to pay ongoing license and maintenance fees, if applicable, in respect of such license);

(c) at the time that the Service Provider licenses any Termination Licensed Software (for use on a dedicated basis for use in providing the Services (other than off-the-shelf shrink wrap or click wrap Software)), the Service Provider will use reasonable efforts to obtain the right to transfer or assign the license upon Termination to the Province or the Alternative Service Provider in accordance with the provisions of paragraph (b) above at no additional charge to be paid to the licensor; and

(d) to facilitate the Province's or an Alternative Service Provider's acquisition of such Dedicated Assets, Designated Contracts and Termination Licensed Software, the Service Provider agrees (where commercially practical and subject to express provisions otherwise set forth in this Agreement) to acquire any material assets, Software and other rights in a manner that will enable the Service Provider to transfer the same to the Province or an Alternative Service Provider without the need to obtain and further consents upon the Termination of the Agreement. In the event that the Service Provider is not able to obtain such rights of transfer without having to obtain any further consents at the time of acquisition of any material assets, Software or rights, then the Service Provider will give the Province notice of the same prior to making such acquisition.

29.7 Additional Termination Arrangements.

Without limiting the provisions of this Article 29 (*Termination Services*), if this Agreement is Terminated for any reason, then the Service Provider will, effective on the completion of the Termination Services or such other date as may be agreed to between the Parties or as otherwise contemplated in this Article 29 (*Termination Services*):

(a) peacefully leave and cause its Personnel and External Personnel to peacefully leave the Province facilities made available to the Service Provider in connection with providing the Services under this Agreement, and return to the Province and cause its Personnel and External Personnel to return all keys and access cards to such applicable facilities;

(b) deliver to the Province all Documentation and other files, records and documents relating to the Services and all Province Confidential Information in whatever format, form, condition or media which are then in the possession or control of the Service Provider, or, at the request of the Province, destroy any Province Confidential Information and provide the Province with confirmation of the same;

(c) provide the Alternative Service Provider with the right to interview employees, agents or representatives of the Service Provider. If the Alternative Service Provider desires to hire an employee, agent or representative of the Service Provider who is bound by any employment agreement or other arrangement precluding or hindering the ability of such employee, agent or representative to be recruited or hired by the Alternative Service Provider, the Service Provider agrees that neither it nor its Affiliates will seek to enforce such restriction or otherwise preclude or hinder such employee, agent or representative from being recruited or hired by the Alternative Service Provider. The Service Provider will provide the Alternative Service Provider with reasonable access to such employees (and, as permitted by Applicable Laws, their internal records), agents and representatives for the purposes of interviews, evaluations and recruitments. Without limiting the generality of the foregoing, upon or at any time after the Termination Date, the Alternative Service Provider will have the right to make offers of employment to the Service Provider's employees then performing the Services; and

(d) enter into such confidentiality agreements and other assurances as may be acceptable to the Province and the Service Provider, each acting reasonably, with respect to the Province Confidential Information relating to the applicable Service and in the event no such confidentiality agreement is entered into prior to the Termination Date the confidentiality provisions of this Agreement shall continue to apply and bind the Service Provider.

29.8 Equitable Remedies of the Province.

The Service Provider acknowledges that the Province would suffer irreparable harm if the Service Provider breached (or attempted or threatened to breach) its obligations to provide Termination Services to the Province in accordance with and pursuant to the terms of this Agreement. In such event, the Province may proceed directly to a court of competent jurisdiction without having to exhaust or utilize the Dispute Resolution Process set forth in Article 27 (*Dispute Resolution*). If such court should find that the Service Provider has breached (or attempted or threatened to breach) any such obligations, then the Service Provider will not, without any additional findings of irreparable injury, harm or other conditions to injunctive relief, oppose the entry of an appropriate order compelling performance by the Service Provider and restraining the Service Provider from any further breaches (or attempted or threatened breaches) of its obligation to provide Termination Services hereunder.

29.9 Other Liabilities.

For greater clarification, in no event will the Province or an Alternative Service Provider assume or be liable for, and the Service Provider hereby agrees to indemnify the Province and any Alternative Service Provider from and against, any liabilities or obligations of the Service Provider not expressly assumed under this Agreement or in any other written agreement signed by the Province or the Alternative Service Provider, as the case may be.

ARTICLE 30 – FORCE MAJEURE AND LABOUR DISRUPTION

30.1 Notice of Force Majeure Event.

If either the Service Provider or the Province is prevented from, or delayed in performing any of its obligations under this Agreement as a result of a Force Majeure Event, or in anticipation of the occurrence of a Force Majeure Event, then the Party claiming the Force Majeure Event (or anticipation of the Force Majeure Event) will promptly notify the other Party by telephone (which does not include, for greater clarification, leaving a voice mail message). That Party will also provide the other Party with a follow up written notice within two Business Days of such Party becoming aware of the potential non-performance or delay, of the particulars of the Force Majeure Event (or anticipation of the Force Majeure Event) including details of the nature of the event, its expected duration and the obligations under the Agreement that will be affected by the Force Majeure Event (or anticipation of the Force Majeure Event). The Party claiming the Force Majeure Event (or anticipation of the Force Majeure Event) will continue to furnish reasonable reports with respect thereto to the other Party on a timely basis during the continuance of the Force Majeure Event. The notice requirements of this Section are in addition to any notices that may be required pursuant to Article 18 (*Business Continuity*).

30.2 Mitigation of Force Majeure Event.

Where either the Service Provider or the Province becomes aware of the occurrence of an event, condition or circumstance that could reasonably be expected to cause such Party to claim a Force Majeure Event,

then that Party will use reasonable efforts to prevent or avoid such event, condition or circumstance developing into a Force Majeure Event, to the extent possible. Failing prevention of the occurrence of such Force Majeure Event by the use of such efforts, the Party claiming the Force Majeure Event will, during the continuance of such Force Majeure Event, use reasonable efforts to mitigate and minimize the effect of such Force Majeure Event, to reduce and minimize any ensuing delay or interruption in the performance of its obligations under this Agreement, and to recommence performance of its obligations under this Agreement whenever and to whatever extent possible and without delay. For greater clarification, where a Force Majeure Event affects performance of the obligations of both Parties under this Agreement, then both Parties may claim the same Force Majeure Event for purposes of this Article 30 (*Force Majeure and Labour Disruption*). Notwithstanding the foregoing, upon the occurrence or expected occurrence of a Force Majeure Event, the Service Provider will forthwith implement the Business Continuity Plan.

30.3 Application of Business Continuity Plan.

Upon the occurrence or expected occurrence of a Force Majeure Event the Service Provider will forthwith implement the Business Continuity Plan as contemplated in accordance with the terms thereof.

30.4 Consequences of Force Majeure Event.

Subject to the provisions of Section 30.3 (*Application of Business Continuity Plan*), during the occurrence of a Force Majeure Event, the obligations of the Party claiming the Force Majeure Event will be suspended, but only to the extent that such Party's obligations cannot be performed or are delayed as a result of the Force Majeure Event, and such Party will not be considered to be in breach or default under this Agreement for the period of such occurrence. The suspension of performance will be no greater in scope and of no longer duration than is reasonably required to adjust for effects of the Force Majeure Event, to the extent reasonably possible to do so. For greater clarification, no obligation of either Party that existed prior to the Force Majeure Event causing the suspension of performance will be excused as a result of the Force Majeure Event, unless such obligation is a continuing obligation, the performance of which is affected by the Force Majeure Event. During any Force Majeure Event, the Province may, in its discretion, exercise any one or more of the following remedies:

(a) during the period of time such Force Majeure Event remains in effect, not pay that portion of the Fees in respect of any Services so affected by the Force Majeure Event; and

(b) procure or otherwise obtain alternative services from any Person in replacement for or substitution of the affected Services during the period of time that the Force Majeure Event remains in effect, and for greater clarification, includes the right of the Province to use the Fees so withheld from the Service Provider in accordance with paragraph (a) above to pay any such other Person for the alternative services.

30.5 Establishing a Force Majeure Event.

The Party claiming that a Force Majeure Event has occurred will bear the burden of proving the existence of such a Force Majeure Event and the consequences of such event.

30.6 Labour Disruption.

In the event of an occurrence or potential occurrence of a Labour Disruption preventing or delaying the performance of the obligations of the Service Provider under this Agreement, the Service Provider will:

(a) promptly notify the Province by telephone of the particulars of the Labour Disruption including details of the nature of the Labour Disruption, its expected duration and the obligations of the Service Provider under this Agreement that will be affected by such Labour Disruption; and

(b) continue to furnish reasonable reports with respect to the status of the Labour Disruption to the Province on a timely basis during the continuance of the Labour Disruption.

In respect of the foregoing notice to the Province, the Service Provider may leave a voicemail message with the Province if necessary, but such voicemail message will not be deemed to be notice until actual voice contact is made, and the Service Provider will follow-up with written notice within three Business Days of any verbal contact. Prior to claiming a Labour Disruption, the Service Provider will use its reasonable efforts to prevent or avoid the Labour Disruption, but not to the extent that the Service Provider would suffer substantial harm to its own commercial interests.

30.7 Effect of Labour Disruption.

The failure of the Service Provider to provide any Services as a result of the Province's Labour Disruption will not give rise to a breach of this Agreement by the Service Provider provided that the Service Provider makes all reasonable efforts to restore and perform the disrupted Services as soon as possible and the Service Provider continues to use all reasonable efforts to perform the disrupted Services during the continuance of the Province's Labour Disruption and until such disrupted Services are fully restored.

30.8 Other Remedies.

During a Labour Disruption, the Province may, in its discretion, exercise any one or more of the following remedies in respect of the Services:

(a) not pay the Fees in respect of such other Services so affected (other than direct additional costs incurred by the Service Provider related to a partial delivery of such Services) during the period of time that the Labour Disruption remains in effect and such Services are disrupted or delayed; and

(b) procure or otherwise obtain alternative services from any Person in replacement for or substitution of the affected Services during the period of time that the Labour Disruption remains in effect and such Services are disrupted or delayed, and to off-set or deduct any costs thereof that are in excess of the Fees withheld pursuant to paragraph (a) above against any other Fees payable to the Service Provider under this Agreement.

ARTICLE 31 – ASSIGNMENT

31.1 Assignment by Province.

The Province may assign at any time, in its sole discretion, and without the Approval of the Service Provider but upon prior written notice, in whole or in part, or sublicense any right or benefit set forth in this Agreement to any "government corporation" as defined in the *Financial Administration Act* (British Columbia). Nothing in this Section will limit, or be deemed to limit, any rights granted in this Agreement with respect to Alternative Service Providers.

31.2 Assignment by Service Provider.

The Service Provider will not, either directly or indirectly, in whole or in part, assign any rights or interests or transfer any of its duties or obligations under this Agreement, including as a result of any change of corporate control, without the prior written consent of the Province, which consent may be given or withheld in the sole and absolute discretion of the Province. For the purpose of this Agreement, the following will be deemed to be an assignment:

(a) the amalgamation of the Service Provider or the Performance Guarantor with any other entity other than amalgamations with other Affiliates of the Service Provider that do not:

(i) cause a change in the Corporate Control of the Service Provider or the Performance Guarantor that would not be permitted under paragraph (d) below,

(ii) result in direct foreign ownership of any kind of the Service Provider, or

(iii) result in the Service Provider or the Performance Guarantor ceasing to be a Canadian Entity;

(b) an assignment by operation of law (but not including assignments by operation of law as a result of amalgamations permitted under paragraph (a) above);

(c) a sale of all or substantially all of the assets or undertaking of the Service Provider, the Performance Guarantor or the Corporate Guarantor;

(d) a direct change in the Corporate Control of the Service Provider or the Performance Guarantor, other than a direct change in Corporate Control of the Performance Guarantor in circumstances where:

(i) the Performance Guarantor:

(A) continues to be a Canadian Entity; and

(B) continues to be under the Corporate Control of MAXIMUS Inc. or an Affiliate of MAXIMUS Inc., and

(ii) any such change in Corporate Control does not adversely impact or otherwise adversely affect the Performance Guarantee or the Corporate Guarantee, as determined by the Province in its discretion; or

(e) any direct foreign ownership of any kind of the Service Provider.

Any attempt by the Service Provider to so assign all or any part of this Agreement or any of the Service Provider's rights, duties, obligations or interests under this Agreement, without the prior written consent of the Province, will be null and void and without effect, and will constitute a Material Breach of this Agreement under Subsection 28.1(l) (*Service Provider Material Breach*), giving rise to the right of the Province to terminate this Agreement. For greater clarification, at no time will the Province consent to any assignment where such assignment could in any manner expose any Personal Information to any increased risk of access, use or disclosure contrary to the terms of this Agreement. Notwithstanding the foregoing, the Subcontracting by the Service Provider of any of its rights, duties, obligations or interests

under this Agreement in accordance with the provisions of Article 13 (*Subcontractors*) will not constitute or be deemed to constitute an assignment under this Section 31.2 (*Assignment by Service Provider*).

ARTICLE 32 – CONTRACTUAL RELATIONSHIP

32.1 Relationship of the Parties.

Except as otherwise set forth in this Agreement:

(a) nothing in this Agreement will be construed to grant the Service Provider any right to act as an agent for or on behalf of the Province, including with respect to third parties or any other Person; and

(b) the Service Provider has no authority to bind, and will not bind or purport to bind, the Province with respect to third parties or any other Person with respect to the performance of the Services or any matter relating to the Services (including any payment of money), without the express Approval of the Province.

For greater clarification, the use by the Service Provider of the Province Marks in performing the Services under this Agreement, and the assumption by the Service Provider or its Affiliates of any Assigned Contracts, will not be, or be deemed to be, an act of the Service Provider (or its Affiliates, as applicable) as agent for and on behalf of the Province, and in all such cases the Service Provider (or its Affiliates, as applicable) will be, and will be deemed to be, acting on its own behalf, in its own right and as an independent contractor. The Service Provider expressly agrees not to act or to purport to act as agent for and on behalf of the Province, and not to bind or to purport to bind the Province, unless authorized to do so by express and prior Approval of the Province.

32.2 No Partnership or Joint Venture.

Notwithstanding Article 2 (*Shared Vision, Guiding Principles and Objectives*) and the use of the word "partnership" in this Agreement, this Agreement establishes, and will only be construed as establishing, a contract between unrelated business entities for the provision of certain services, and does not and will not be construed or deemed to create or constitute a partnership or joint venture relationship between the Parties. Each Party hereby expressly disclaims any intention to create a partnership or a joint venture with respect to the subject matter of this Agreement. Each Party will be independently and solely responsible for all obligations arising in connection with its own employees (including any obligations incumbent upon such Party as an employer, such as the payment of benefits, and the withholding and remittance of applicable source deductions, in respect of its employees).

32.3 Conflict of Interest.

At no time during the Term will the Service Provider or its Personnel directly or indirectly engage in any activity, business or undertaking that could create a conflict of interest or perceived conflict of interest with the Province in respect of all or any part of the Services and it being acknowledged by the Parties that the different economic interests of the Parties in and of itself will not be deemed to be a conflict of interest under this Section). In connection therewith, the following provisions will apply:

(a) where the Service Provider becomes aware of any act, omission or event that could be construed as creating a conflict of interest or a perceived conflict of interest in respect of all or any part of the Services, or where the Service Provider is uncertain as to whether or

not a conflict of interest or a perceived conflict of interest could exist in a particular situation, the Service Provider will immediately notify the Province of the same;

(b) the Service Provider will abide by any direction given by the Province in respect of any such act, omission or event, except where the Service Provider reasonably disagrees with such direction from the Province, in which case such matter will be deemed to be a Dispute and will be resolved in accordance with the Dispute Resolution Process;

(c) if such Dispute is settled by arbitration, then the Dispute will be determined by the arbitrator (or arbitrators) in accordance with any the Province Policies or processes demonstrably utilized or held by the Province in respect of conflicts of interest;

(d) the Province retains the right to prohibit any Person (including any Subcontractor or Supplier to of the Service Provider) from taking any action, delivering any Services or otherwise participating in any manner with respect to the Services or to this Agreement where the Province determines, in its sole opinion, that such Person's current or past corporate or other interests may give rise to a conflict of interest in connection therewith; and

(e) any determination or direction by the Province in respect of paragraph (d) above will be based upon such information as the Province, in its sole discretion, determines to be relevant.

32.4 Code of Conduct and Standards.

The Service Provider will at all times comply, and will cause its Personnel to comply, with the Province Policies. The Service Provider will also require its Personnel to conduct themselves in a manner consistent with the "conflicts of interests" guidelines as set forth in the *Standards of Conduct for Public Services Employees* (British Columbia), a copy of which has been provided by the Province to the Service Provider, as such standard is revised by the Province from time to time upon notice to the Service Provider (but excepting out compliance with any such revised standards that could reasonably result in adverse labour relations between the Service Provider and those of its Personnel who are governed by a collective agreement then in force). Should there be a conflict or inconsistency between the Service Provider code of conduct policy and the Province's the *Standards of Conduct for Public Services Employees* (revised from time to time as previously provided), then the higher or more stringent code of conduct, policy or standard will govern.

32.5 Conflict of Interest Policy.

The Service Provider represents, warrants and covenants that none of its members or employees has given, and nor will they give, any commissions, payments, kickbacks, lavish or excessive entertainment, or other inducements of more than minimal value in any form to any employee or agent of the Province in connection with this Agreement. The Service Provider acknowledges that the giving of any such inducements or gifts is strictly in violation of the Province's policy on conflicts of interest, and may result in cancellation of this Agreement and all future contracts between the Parties. The Service Provider acknowledges that it has read the Province's policy on conflicts of interest, and it agrees that it will abide by such policy during the Term, as such policy is revised from time to time upon reasonable notice to the Service Provider.

ARTICLE 33 – MISCELLANEOUS

33.1 Notice.

Unless specifically provided otherwise in this Agreement, including through the Governance Process, wherever any notice, communication, demand, invoice, Approval or other document is required or permitted to be given, sent or delivered by one Party to another under this Agreement, then it will be in writing and may be delivered personally, sent by a recognized courier service (and for greater clarification, no notice, demand or Approval required or permitted to be given under this Agreement will be, or be deemed to be, effective or delivered if given by email). Any such notice, communication, demand, invoice, Approval or other document so personally delivered or sent by courier will be deemed to be given when actually received and will be addressed as follows:

To the Province:

The Province of British Columbia
3rd Floor – 836 Yates Street
Victoria, British Columbia V8W 1X7

Attn: Executive Director, Service Delivery, Service BC

To the Service Provider:

MAXIMUS Canada Services, Inc.
PO Box 8859, Stn Central
Victoria, BC V8W 3Z1

Attn: Director of Contracts

Either Party may change its address for notices upon giving prior written notice of the change to the other Party in the manner provided above.

33.2 Appropriation.

Notwithstanding any other provision of this Agreement, the payment of money by the Province to the Service Provider under this Agreement is subject to:

(a) there being sufficient monies available in an appropriation, as defined in the *Financial Administration Act* (British Columbia), to enable the Province to make that payment; and

(b) Treasury Board, as defined in the *Financial Administration Act* (British Columbia), not having controlled or limited, under the *Financial Administration Act* (British Columbia), expenditure under any appropriation referred to in paragraph (a) above.

33.3 Severability.

If any provision contained in this Agreement or its application to any Person or circumstance will, to any extent, be invalid or unenforceable, then the remainder of this Agreement or the application of such provision to Persons or circumstances other than those to which it is held invalid or unenforceable, will not be affected, and each provision of this Agreement will be separately valid and enforceable to the fullest extent permitted by law. In addition, any provision of this Agreement which is prohibited or

unenforceable in any jurisdiction will not invalidate the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction. In respect of any provision determined to be unenforceable or invalid in a court having competent jurisdiction, the Parties agree to negotiate in good faith to replace the unenforceable or invalid provision with a new provision that is enforceable and valid in order to give effect to the business intent of the original provision to the extent permitted by Applicable Law, and in accordance with the intent of this Agreement. For greater clarification, if the application of any provision of this Agreement, either generally or in a particular situation, would require a Party to act in a manner contrary to Applicable Law, then such provision will be deemed to be stricken from this Agreement (either generally or in such particular situation, as appropriate), and the affected Party will not be in breach of the Agreement or liable for damages for complying with such Applicable Law.

33.4 Entire Agreement.

This Agreement and the Schedules to this Agreement, and all other documents or agreements referred to in this Agreement, the Schedules constitute the entire agreement among the Parties with respect to the subject matter hereof, and cancel and supersede any other prior agreements, undertakings, declarations, commitments, representations, warranties, conditions, promises and understandings, whether written or oral, express or implied, statutory or otherwise among the Parties with respect to the subject matter of this Agreement.

33.5 Amendments.

No term or provision of this Agreement may be amended except by written instrument signed by each of the Province and the Service Provider, by a Change Order as contemplated in Article 8 (*Change Process*), or by a unilateral notice of declaration given or made by one Party pursuant to the terms of this Agreement, in respect of a change or amendment that such Party is entitled to make under the terms of this Agreement without the requirement for the Approval of the other Party, if any.

33.6 No Liens or Charges Against Province Assets.

Except as expressly provided in this Agreement, the Service Provider covenants and agrees to protect and keep free of all assets used in the provision of the Services and assets of the Province from any and all Liens, other than interests of a lessor in any leased assets or Liens granted by any lessor in such leased assets. If any such Lien is filed, then the Service Provider will immediately notify the Province by providing a copy of the Lien claim, and will cause such Lien to be satisfied or otherwise discharged within 10 Business Days. If any such Lien is filed or otherwise imposed, and the Service Provider does not cause such Lien to be released and discharged forthwith, then the Province has the right, but not the obligation, to pay all sums necessary to obtain such release and discharge, or otherwise cause the Lien to be removed to the satisfaction of the Province, from funds retained from payment then due or thereafter to become due as Fees payable to the Service Provider under this Agreement.

33.7 Waiver.

Failure by a Party to insist in any one or more instances upon the strict performance of any one of the terms, provisions or covenants contained in this Agreement will not be construed as a waiver or relinquishment of such term, provision or covenant. No consent or waiver, express or implied, by a Party to or of any breach or default by another Party in the performance by such other Party of any term, provision or covenant under this Agreement will be deemed or construed to be a consent or waiver to or of any other breach or default such other Party under this Agreement. No waiver of any breach of any

term, provision or covenant of this Agreement will be effective or binding unless made in writing and signed by the waiving Party.

33.8 Further Assurances.

Each of the Parties will, from time to time, execute and deliver all such further documents and instruments and do all such further acts and things as the other Party may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Agreement.

33.9 Obligations as Covenants.

Each obligation of a Party in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

33.10 Transaction Fees.

Each Party will be responsible for and pay its respective legal and accounting costs and other expenses incurred in connection with the preparation, execution and delivery of this Agreement (including all prior steps and actions taken in respect to the NRFP) and all other documents and instruments prepared, executed or delivered pursuant thereto or to this Agreement.

33.11 Survival.

Unless otherwise provided in this Agreement, the following provisions, including the obligations of the Service Provider and the Province thereunder will survive the Termination of this Agreement:

- Section 1.4 (*Interpretation*);
- Section 1.5 (*Acting Reasonably and Approvals*);
- Section 4.5 (*Termination Assistance*);
- Section 11.2 (*Use of Province Marks*);
- Section 11.4 (*Publicity*);
- Section 13.1 (*Responsibility for Subcontractors*);
- Section 15.1 (*Maintenance of Records*);
- Section 15.2 (*Retention of Records*);
- Section 15.4 (*Custody of Province Records*);
- Section 15.5 (*Control of Province Records*)
- Section 15.6 (*Final Return of Province Records*);
- Section 15.8 (*Storage and Disposal of Records*);
- Section 15.9 (*Locations of Records*);
- Article 16 (*Fees and Payment Terms*);
- Article 17 (*Privacy, Security and Confidentiality*);
- Section 20.1 (*Ownership of Province Assets*);

- Section 20.2 (*Ownership of Province Materials*);
- Section 20.4 (*Assignment of Intellectual Property*);
- Section 20.5 (*Service Provider Personnel, Subcontractors and External Personnel*);
- Section 20.8 (*License to Use SP Materials*);
- Section 20.10(b) (*Assignment of SP Licensed Software*);
- Section 20.12 (*SP Software – License to Province after Term and Related Matters*);
- Section 20.13 (*Post-Termination Maintenance and Support*);
- Section 20.14 (*Use of Confidential Information in License Rights*);
- Section 21.13 (*Termination of Rights to Province Shared Infrastructure*);
- in respect of an audit conducted by the Province of the last Contract Year, Section 22.1 (*Access Rights*), Section 22.2 (*Examination and Copies*), Section 22.5 (*Audit Rights*), Section 22.6 (*Costs*) and Section 22.8 (*General Principles*);
- Article 25 (*Indemnification, Liability and Guarantees*);
- Article 27 (*Dispute Resolution*);
- Section 28.7 (*Termination Fees*);
- Article 29 (*Termination Services*);
- Section 31.2 (*Assignment by Service Provider*);
- Section 33.11 (*Survival*);
- **Schedule 17** (*Fees and Economic Model*);
- **Schedule 18** (*Privacy Schedule*);
- **Schedule 19** (*Security Schedule*);
- the Performance Guarantee and the Corporate Guarantee; and
- any other provisions of this Agreement which are required for the proper interpretation thereof.

In addition, any liabilities or obligations of either Party arising before Termination of this Agreement or arising out of the events causing such Termination, and any damages or other remedies to which a Party may be entitled under this Agreement, whether at law or in equity, arising from any breach of such obligations of a Party and any other provisions herein, the nature and intent of which is to survive Termination of this Agreement, will survive and will not be affected by the expiration or Termination of this Agreement.

33.12 Governing Law.

(a) This Agreement will be governed by and construed in accordance with the laws, other than choice of law rules, of the Province of British Columbia. Any matter regarding the interpretation and application of this Agreement and all disputes arising under or in connection with this Agreement will, subject to Article 27 (*Dispute Resolution*), be within the exclusive jurisdiction of the courts of British Columbia, as stipulated in the following paragraph.

(b) Subject to Article 27 (*Dispute Resolution*), the Parties irrevocably agree to and hereby accept and attorn to the exclusive jurisdiction of the Courts of British Columbia for any and all Claims or Losses that they may have related in any way to this Agreement, and all Disputes relating hereto or hereunder, and the Parties irrevocably covenant and agree not to commence any action or bring any Claim or Loss in any forum whatsoever, be it domestic, foreign or international (including, but not limited to the *North American Free Trade Agreement*), relating in any way to this Agreement or any Dispute relating hereto or hereunder.

(c) The Parties further agree that, should any third party initiate any action under any of the dispute settlement provisions of the *World Trade Organization Agreement* or the *North American Free Trade Agreement* (including but not limited to Chapter Eleven thereof), in any way relating to this Agreement, then no Party will provide any assistance whatsoever (including, without limitation, financial assistance, access to documents and access to personnel) to such third party to pursue any such action. The Parties will also provide all reasonable assistance, one to the other, to defend against such third party claims.

(d) The Service Provider, on its own behalf and on behalf of all others who may claim through it or under it, including but not limited to the Performance Guarantor and the Corporate Guarantor and their respective Affiliates (collectively, the "**Service Provider Group**") hereby covenants and agrees that, without the express written consent of the Province (which may be withheld for any cause, or without cause), none of the Service Provider Group will make any Claim or take any proceedings whatsoever concerned or related to any matter arising under or relating to this Agreement against any Person under Chapter Eleven of the *North American Free Trade Agreement*.

(e) The Service Provider, on its own behalf and on behalf of the Service Provider Group, hereby specifically acknowledges that the provisions of this Section 33.12 (*Governing Law*) are fundamental to this Agreement. The Province has fundamentally relied upon the presence of all of these provisions and the Province would not have entered into this Agreement with the Service Provider without these provisions being included.

33.13 Change of Law.

The Service Provider hereby acknowledges and agrees that its costs involved in performing its obligations under this Agreement are, in part, based upon governmental laws, regulations and policies in force at the time this Agreement was entered into and subsequently, and that such governmental laws, regulations and policies are subject to change without notice. Any such change could result in a material change in the Service Provider's costs of performing its obligations under this Agreement. The Service Provider specifically acknowledges and agrees that:

(a) any such change that has the effect of increasing the Service Provider's costs of performing its obligations under this Agreement will not affect those obligations;

(b) such actions will not constitute expropriation or be tantamount to expropriation at domestic or international law (including, but not limited, the *North American Free Trade Agreement*); and

(c) such actions will not constitute grounds for asserting any other claim whatsoever under domestic law or any claim whatsoever under any international agreement (including, but

not limited to, Chapter Eleven of the *North American Free Trade Agreement* and the *General Agreement on Trade in Services*).

33.14 Procurement.

The Parties hereby acknowledge and affirm that this Agreement constitutes a "procurement" by the Province as that term is utilized in the *North American Free Trade Agreement* and the *General Agreement on Trade in Services*, and consequently:

(a) *North American Free Trade Agreement* Articles 1102, 1103, 1107, 1106(1)(b), (c), (f), and (g), and 1106(3)(a) and (b) do not apply to this Agreement, by virtue of the *North American Free Trade Agreement* Articles 1108(7)(a) and 1108(8) (b);

(b) *North American Free Trade Agreement* Chapter Twelve does not apply to this Agreement by virtue of Article 1201(2)(c);

(c) the Services being procured under this Agreement are services supplied in the exercise of governmental authority for purposes of the *General Agreement on Trade in Services*; and

(d) Articles II, XVI and XVII of the *General Agreement on Trade in Services* do not apply to this Agreement because, for purposes of Article XIII of that agreement, this Agreement constitutes a procurement by a governmental agency of services being purchased for governmental purposes and not with a view to commercial resale or with a view to use in the supply of services for commercial sale.

33.15 Binding Effect.

This Agreement will be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

33.16 No Third-Party Beneficiaries.

Nothing in this Agreement, express or implied, is intended to confer upon any Person (other than the Parties and their successors and permitted assigns), and the indemnified parties who are expressly indemnified pursuant to the provisions of this Agreement, any rights, benefits or remedies of any kind or character whatsoever, and no Person will otherwise be deemed to be a third-party beneficiary under or by reason of this Agreement, unless specifically provided otherwise in this Agreement.

33.17 Cumulative Remedies.

Except in respect of any remedy in this Agreement which is expressly described as the exclusive remedy in respect of a matter, the rights and remedies of a Party in the Agreement are cumulative and in addition to and not in substitution for any right or remedy that may be available to a Party and the exercise of a right or remedy shall not exhaust all rights and remedies or prevent a Party from exercising any one or more of such rights or remedies or any combination of remedies and rights, thereafter or any of them simultaneously

33.18 Counterparts.

This Agreement may be executed in several counterparts, each of which will be deemed to be an original. Such counterparts together will constitute one and the same instrument, notwithstanding that all of the Parties are not signatories to the original or the same counterpart.

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IN WITNESS WHEREOF, this Agreement has been duly executed by and on behalf of the Parties hereto as of the Effective Date.

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Technology, Innovation and Citizens' Services

Name:
Title: ADM Service BC.

MAXIMUS CANADA SERVICES, INC.

By:
Name: RD LANG
Title: PRESIDENT

SCHEDULE 1

DEFINITIONS

"Access Subcontractor" means a Subcontractor who has, or could have, access to or custody of Personal Information.

"**Achieved Service Levels**" means, in respect of any Service Level and for any measurement period, the standard and level of performance, as applicable, actually achieved by the Service Provider in respect of the particular Service Level for the measurement period in question.

"Adverse Impact" has the meaning given to it in Section 8.4(a)(xiii) (*Change Order Process – Change Request*).

"Affiliate" has the meaning given to it in the *Business Corporations Act* (British Columbia) and in addition, when used in connection with the Service Provider, includes any member of the Service Provider Group.

"**Agent**" has the meaning given to it in **Schedule 5** (*Services*).

"Agreement" means these terms and conditions, all Schedules attached hereto as the same may be changed, modified, amended, supplemented or updated from time to time, including by way of Change Orders or as otherwise permitted hereunder.

"**Agreement Risk Register**" means an overall rolled up Risk Register for the Agreement that is part of the Strategic Plan and integrates appropriate significant risks identified in the other Risk Registers that must be maintained by the Service Provider under this Agreement, including all Transition Risk Registers. For clarity, the Agreement Risk Register will form part of the Strategic Plan and will not be a separate document.

"**Alternate Licensed Software**" has the meaning given to it in Section 20.10 (*Assignment of SP Licensed Software*).

"Alternative Service Provider" means any Person or Persons designated by the Province from time to time as its alternative service provider for any or all of the Services, but only after such Person or Persons have been so designated by the Province as such.

"**Amendment**" means an amendment to this Agreement by written instrument signed by each of the Parties made in accordance with Section 33.5 (*Amendments*).

"Annual Operating Plan" has the meaning given to it in Section 14.5 (*Annual Operating Plan*).

"**Applicable Governance Level**" means: (a) the Operations and Expansion Management Team; or (b) the highest Governance Level to which the Change Request has been forwarded or escalated under Subsection 8.4(a)(ii) or Subsection 8.4(a)(x)(A).

"Applicable Laws" means all applicable laws, including any statute, regulation or by-law, treaty, directive, policy having the force of law, order, judgment, injunction, award or decree of any Canadian or Provincial Governmental Authority, in Canada or in any Province in Canada, which is binding on the Parties (or on one Party as applicable), and in effect from time to time or are

otherwise applicable to the performance of the Services, but does not include any law, statute, regulation or by-law, treaty, directive, policy having the force of law, order, judgment, injunction, award or decree of a foreign jurisdiction outside of Canada.

"Approval" means, with respect to any matter, document, action or other thing to be consented to or otherwise approved, that the same action has the prior written approval of the Party in question by any of its Governance Level representatives (specified in **Schedule 12** (*Governance*)), and "**Approve**" and **"Approved"** have similar meanings. For clarity, Approvals of the Province are subject to Sections 12.3 (*Power and Authority of the Service Provider*) and 12.5 (*Province Approval*).

"**Article**" means, with respect to the Knowledge Base, an item of information included within the Knowledge Base.

"Assigned Contract" means a contract entered into between the Province and a third party for the delivery and provision of goods and services, or the license of any Software, in connection with or relating to the Services contemplated in this Agreement, and assigned or to be assigned by the Province to the Service Provider pursuant to a Change Order, but in respect of each particular "Assigned Contract" only from the date that such assignment to the Service Provider is effective, and only until such time as the Service Provider renews, extends, renegotiates or otherwise amends the terms thereof (unless expressly Approved otherwise by the Province).

"Assigned Intellectual Property" has the meaning given to it in Subsection 20.4(b) (*Assignment of Intellectual Property*).

"Assigned Subcontractor" means a Subcontractor who is a party to an Assigned Contract.

"Assignee Party" has the meaning given to it in Subsection 20.4(b) (*Assignment of Intellectual Property*).

"Assignee Trust Rights" has the meaning given to it in Subsection 20.4(b) (*Assignment of Intellectual Property*).

"Assigning Party" has the meaning given to it in Subsection 20.4(b) (*Assignment of Intellectual Property*).

"Audit Deficiency" means:

(a) a misstatement or misrepresentation by the Service Provider in its reporting, accounting or record keeping pursuant to this Agreement;

(b) a failure by the Service Provider to comply with the provisions of GAAP when required to do so;

(c) a failure by the Service Provider to comply with the provisions of this Agreement (including the performance of the Services);

(d) a failure by the Service Provider to comply with the Province Policies, Applicable Laws, or any other applicable requirements of regulatory bodies and authorities having competent jurisdiction (other than a failure to comply with a Disclosure Order);

(e) the occurrence of any fraud, malfeasance or wilful misconduct by the Service Provider in the performance of the Services; or

(f) any material deficiency identified in an audit report, a report prepared consistent with GAAP, or a SysTrust Report, that relates to the Agreement or the Services provided by the Service Provider under the Agreement.

"**Average Handle Time**" has the meaning set out in Section 6 (*Predictive Key Performance Indicators*) of **Schedule 9** (*Performance Management Framework*).

"**Base Fees**" has the meaning set out in **Schedule 9** (*Performance Management Framework*).

"**Base Services**" has the meaning given to it in **Schedule 5** (*Services*).

"Basic Infrastructure Credit" has the meaning given to it in Section 21.2 (*Use of Province Shared Infrastructure*).

"Benchmarker" has the meaning given to it in Subsection 10.1(c) *(Benchmarking)*.

"Benchmarking" has the meaning given to it in Section 10.1 *(Benchmarking)*.

"Broader Public Sector Entity" means a government organization, local public body or participating jurisdiction, each as defined in the *Procurement Services Act* (British Columbia) and includes a Person, other than the government, a government organization, a local public body or a participating jurisdiction, provided the requirements set out in section 2(s) of the *Procurement Services Act* (British Columbia) have been met.

"Business Area" means a department, division, office, business area, responsibility line or other sub-organization of a Province Ministry.

"Business Continuity Plan" means a roadmap and description of procedures, information and advance arrangements to guide the timely recovery and ongoing provision of services, programs and operations within a predefined period of time, following the declaration of a Disaster or any other similar event that interrupts operations or disrupts the delivery of the Services, including a disaster recovery plan which details the back-up and recovery procedures to be followed by the Service Provider in the event of a Disaster for Systems supporting essential Services.

"Business Day" means any day other than a Saturday, Sunday or a statutory holiday in the Province of British Columbia.

"**Business Hours**" has the meaning given to it in **Schedule 5** (*Services*).

"**Business Development Services**" has the meaning given to it in **Schedule 5** (*Services*).

"Canadian Entity" has the meaning given to it in Section 17.4 *(Canadian Entities)*.

"Change Order" has the meaning given to it in Section 8.7 (*Change Orders*).

"Change Order Process" has the meaning given to it in Section 8.3 (*Change Order Process – Change Request*).

"Change Request" has the meaning given to it in Section 8.3 (*Change Order Process – Change Request*).

"**Channel**" has the meaning given to it in **Schedule 5** (*Services*).

"**Citizen Interaction**" has the meaning given to it in **Schedule 9** (*Performance Management Framework*).

"**Citizens**" means individuals and other Persons that access or use the Services or may potentially access or use the Services, including citizens of the Province of British Columbia;

"Claims" means any and all claims, legal or other proceedings, suits, actions, causes of action, losses, damages, liabilities, costs and expenses (whether accrued, actual, contingent, latent or otherwise), and all reasonable legal fees suffered or incurred by a Person.

"Client Ministry" means a Province Ministry to which the provision of the Transactional Services has been expanded in accordance with Section 3.2 (*Expansion of Services to Province Ministries*).

"Communication Plan" means the communications protocols and processes to be followed by the Service Provider in connection with any communications in connection with the Services and this Agreement, as more particularly described in **Schedule 12** (*Governance*).

"Compelled Party" has the meaning given to it in Section 17.10 *(Disclosure Compelled by Law)*.

"**Complex Services**" has the meaning given to it in **Schedule 5** (*Services*).

"Confidential Information" means the Province Confidential Information and/or the Service Provider Confidential Information, as the case may be.

"**Contact Centre**" has the meaning given to it in **Schedule 5** (*Services*).

"**Contact Centre Services**" has the meaning given to it in **Schedule 5** (*Services*).

"Contaminant" has the meaning given to it in Section 19.5 *(System Contaminants).*

"**Continuous Improvement Services**" has the meaning given to it in **Schedule 5** (*Services*).

"**Contract Security**" has the meaning given to it in Section 25.5 (*Contract Security*).

"**Contract Quarter**" means each of the three-month periods during each Contract Year ending on March 31, June 30, September 30 and December 31.

"Contract Year" means each 12 month period beginning on the Effective Date or an anniversary thereof during the Term.

"Control" means the power or authority to manage, restrict, regulate or administer the use or disclosure of a Record.

"Corporate Control" of a corporation or other entity is directly held by a Person where securities of the corporation or other entity to which are attached 50% or more of the votes that

may be cast to elect directors or persons acting in a similar capacity of the corporation or other entity are directly held, other than by way of security only, by or for the benefit of such Person, and "**Corporately Controlled**" has corresponding meaning.

"Corporate Guarantee" means an irrevocable and unconditional guarantee of certain liabilities of the Service Provider under this Agreement, to be provided by the Corporate Guarantor in the form attached to this Agreement as **Schedule 23** (*Corporate Guarantee*).

"Corporate Guarantor" means MAXIMUS Inc.

"Corporate Structure" has the meaning given to it in Section 17.3 (*Corporate Structure and Corporate Chart*).

"Cost-Only Time and Material Rates" has the meaning given to it in Schedule 17 (*Fees and Economic Model*).

"Cross-Over Issues" has the meaning given to it in Section 12.11 (*Cooperation with Other Service Providers*).

"Custody" means to have physical possession and immediate responsibility for the safe-keeping, preservation and protection of a Record.

"Dedicated Assets" means all tangible assets and equipment (and for greater clarification, other than Software), that are then being used by the Service Provider on a seventy-five percent (75%) or greater dedicated basis in the provision of Services to the Province and such other tangible personal assets or equipment that are not so dedicated which the Province and the Service Provider mutually agree should constitute a "Dedicated Asset".

"**Deficiency**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"Deliverable" means any Material (including Software, hardware, equipment, Systems and documentation) provided to the Province by the Service Provider as part of the Services.

"Designated Contracts" means the Subcontracts, contracts with Suppliers, and Software licenses and other contracts relating to the Services that the Province determines, in consultation with the Province and the Service Provider, will be assigned to, and assumed by the Province (or the Alternative Service Provider, as the case may be), or a combination of the two, in connection with the Termination of this Agreement.

"**Detailed Initial Transition Plan**" means the Service Provider's refined and updated version of the High Level Initial Transition Plan, which sets out the plan for completing the Initial Transition in detail in accordance with the requirements of **Schedule 2** (*Initial Transition Plan and Baseline Requirements*) and will be prepared and delivered to the Province in accordance with **Schedule 2** (*Initial Transition Plan and Baseline Requirements*), as such transition plan may be amended, modified and supplemented in accordance with the provisions of Section 5.3 (*Modifications to Initial Transition Plan*).

"Directive" has the meaning given to it in Section 12.4 (*Province Right to Issue Directives*).

"Disaster" means any event or circumstance that adversely affects or disrupts (or has the potential to adversely affect or disrupt) the Services, or the ability of the Service Provider or its Subcontractors to otherwise comply with the terms of this Agreement or to otherwise operate their businesses, whether within or outside the control of the Service Provider including, without limitation, any Force Majeure Event or Labour Disruption.

"Disclosure Order" has the meaning given to it in Section 17.2 *(Foreign Disclosures)*.

"Dispute" means a dispute, claim, question, difference or disagreement between the Parties arising out of or related to the Services or the Agreement.

"Dispute Resolution Process" means the informal and formal process established under Article 27 (*Dispute Resolution*) for the resolution of Disputes.

"Documentation" means the Manuals and other documentation regarding the capabilities, implementation, installation, operation, application, use or method of performance of that which is being documented, including, as applicable and available, user manuals, business process maps, functional specifications, technical specifications, systems operations manuals, console operations manuals, linking instructions, error logs and reports, scripts, forms, templates, and other manuals and reports, whether in printed or electronic format.

"**Economic Model**" means the economic model set out in **Attachment A** (Economic Model) attached to **Schedule 17** (*Fees and Economic Model*) and upon which the Fees set out in **Schedule 17** (*Fees and Economic Model*) are based.

"Effective Date" has the meaning given to it in the first paragraph of this Agreement.

"Event of Insolvency" means the occurrence of any one of the following events regarding the Service Provider, the Performance Guarantor or the Corporate Guarantor, and Persons who have Corporate Control of them:

(a) if such Person:

(i) other than in connection with a bona fide corporate reorganization which does not otherwise contravene this Agreement, is wound up, dissolved, liquidated or has its existence terminated or has any resolution passed therefor or makes a general assignment for the benefit of its creditors or a proposal under any present or future law relating to bankruptcy, insolvency, or other relief for or against debtors generally, domestic or foreign, including the *Bankruptcy and Insolvency Act* (Canada),

(ii) makes an application to the applicable court for a compromise or arrangement under any present or future law relating to bankruptcy, insolvency, or other relief for or against debtors generally, domestic or foreign, including the *Companies' Creditors Arrangement Act* (Canada), or

(iii) files any written request, application, answer or other document seeking or consenting to any re-organization, arrangement, composition, re-adjustment, liquidation or similar relief for itself under any present or future law relating to bankruptcy, insolvency, or other relief for or

against debtors generally, domestic or foreign, including any notice of intention to make a proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada);

(b) if a court of competent jurisdiction enters an order, judgment, or decree against such Person which approves or provides for any reorganization, arrangement, composition, re-adjustment, liquidation, dissolution, winding up, termination or existence, declaration of bankruptcy or insolvency or similar relief with respect to such Person, under any present or future law relating to bankruptcy, insolvency, or other relief for or against debtors generally and such order, judgment, or decree remains un-vacated and un-stayed for an aggregate period of 60 days (whether or not consecutive) from the date it is made;

(c) if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers is appointed for or with respect to such Person and that appointment remains in effect for an aggregate period of 60 days (whether or not consecutive) from the date of the appointment; or

(d) if an encumbrance or anyone acting on behalf of an encumbrancer takes possession of all or substantially all of the property of such Person and remains in possession for an aggregate period of 60 days (whether or not consecutive) from the first date of the taking of possession.

"**Excusable Event**" has the meaning set out in **Schedule 9** (*Performance Management Framework*).

"Executive Leadership" has the meaning given to it in **Schedule 12** (*Governance*).

"Extension" has the meaning given to it in Section 4.2 *(Extensions)*.

"External Personnel" has the meaning given to it in Section 12.10 *(General Principles Regarding Personnel)*.

"External Personnel Agreement" has the meaning given to it in Section 13.5 *(Non-Disclosure Documents)*.

"**Fee Rebate Credit**" has the meaning given to it in **Schedule 17** (*Fees and Economic Model*).

"Fees" means the fees set out in **Schedule 17** (*Fees and Economic Model*) that are payable by the Province to the Service Provider in consideration for the provision of the Services to the Province pursuant to the terms of this Agreement.

"**Fixing**" means, with respect to a Deficiency, the permanent correction or elimination of a Deficiency, and "Fix" and "Fixed" have corresponding meanings.

"Force Majeure Event" means the occurrence of one or more of the following events that is beyond the reasonable control of a Party, and that interferes with, delays or prevents performance of the obligations of a Party under this Agreement, provided that the non-performing Party is without fault in causing or failing to prevent such occurrence, and such occurrence cannot be circumvented through the use of reasonable alternative sources, workaround plans or other similar means (including, with respect to the Service Provider, by the Service Provider meeting

its business continuity and disaster recovery obligations described in this Agreement), and includes the following:

(a) explosions, fires, floods, earthquakes, catastrophic weather conditions or other elements of nature or acts of God;

(b) acts of war (declared or undeclared), acts of terrorism, insurrection, riots, civil disorders, rebellion or sabotage;

(c) failures or fluctuations in electrical power or telecommunications services or other similar public utilities; and

(d) other events which the Parties expressly agree in writing as constituting a "Force Majeure Event".

For greater clarification, a "Force Majeure Event" will specifically exclude: (1) any Labour Disruption; (2) lack of financial capacity; and (3) any non-performance or other similar failure on behalf of a Subcontractor or Supplier unless such non-performance or similar failure results from of one or more of the events described in paragraphs (a) to (d) above that is beyond the reasonable control of the Subcontractor or Supplier, and that interferes with, delays or prevents performance of the obligations of the Subcontractor or supplier, provided that the non-performing Subcontractor or supplier is without fault in causing or failing to prevent such occurrence, and such occurrence cannot be circumvented through the use of reasonable alternative sources, workaround plans or other similar means.

"Foreign Disclosure Laws" means any laws, statutes, by-laws, treaty, directive, policy having the force of law, order, judgment, injunction, award, decree or other similar matter of any government, legislature (or similar body), court, governmental department, commission, board, bureau, agency, instrumentality, province, state, territory, association, county, municipality, city, town or other political of governmental jurisdiction, whether not or in the future constituted, outside of Canada, that may require, request, or otherwise demand access, use or disclosure of Personal Information, whether to intercept or obstruct terrorism, or for any other reason.

"Foreign Employed Individual" means individuals who: (a) have entered into an employment agreement or other similar agreement for the provision of personal services thereunder, whether express or implied by law, with a Person that is not a Canadian Entity; or (b) are Personnel that are non-residents of Canada.

"GAAP" has the meaning given to it in Section 1.6 *(Accounting Policy)*.

"**Go Live Date**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"Governmental Authority" means any court or governmental department, commission, board, bureau, agency, or instrumentality of Canada, or of any Province, state, territory, county, municipality, city, town, or other political jurisdiction, whether domestic or foreign, and whether now or in the future constituted or existing, having competent jurisdiction over the business that is the subject of the Services or over any Party to this Agreement.

"**Governance Level**" means: (a) the Executive Leadership; (b) the Operations and Expansion Leadership; or (c) Operations and Expansion Management Team.

"Governance Process" means the interactions between the Parties through the established governance channels and processes described in **Schedule 12** (*Governance*), as applicable.

"GST" means the tax imposed under Part IX of the *Excise Tax Act* (Canada), as the same may from time to time be amended or replaced.

"Guarantees" means the Performance Guarantee and the Corporate Guarantee and "Guarantee" means either the Performance Guarantee or the Corporate Guarantee, as the case may be.

"Guiding Principles" has the meaning given to it in Section 2.2 (*Guiding Principles*).

"Hand-Over Date" means 12:01 a.m., July 1, 2017, as such date may be changed in accordance with Article 5 (*Initial Transition*).

"**High Level Initial Transition Plan**" means the Service Provider's initial (as of the Effective Date), high-level transition plan for the Initial Transition, which is attached to **Schedule 2** (*Initial Transition Plan and Baseline Requirements*) as **Attachment A** (*High Level Initial Transition Plan*) and will be replaced by the Detailed Initial Transition Plan in accordance with **Schedule 2** (*Initial Transition Plan and Baseline Requirements*).

"Impact Assessment" has the meaning given to it in Subsection 8.6(a)(iv) (*Implementation of Mandatory Changes*).

"**Improvement Idea**" means a potential opportunity for improving the Contact Centre Services identified by the Service Provider as part of the Continuous Improvement Services in accordance with **Schedule 5** (*Services*).

"**Informational Services**" has the meaning given to it in **Schedule 5** (*Services*).

"Initial Term" means the initial term of this Agreement, as more particularly described in Section 4.1 *(Initial Term)*.

"Initial Transition" has the meaning given to it in Section 5.1 (*Hand-Over of Services*).

"**Initial Transition Completion Criteria**" has the meaning given to it in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*).

"Initial Transition Key Requirements" has the meaning given to it in Section 5.3 (*Modifications to Initial Transition Plan*).

"**Initial Transition Milestones**" means the Milestones for the Initial Transition set out in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*).

"Initial Transition Period" means the period of time from the Effective Date until the Hand-Over Date.

"**Initial Transition Plan**" means the High Level Initial Transition Plan until such time as such plan is replaced by the Detailed Initial Transition Plan in accordance with **Schedule 2** (*Initial Transition Plan and Baseline Requirements*) and thereafter the Detailed Initial Transition Plan, as such transition plan may be amended, modified and supplemented in accordance with the provisions of Section 5.3 (*Modifications to Initial Transition Plan*).

"Initial Transition Services" has the meaning given to it in Section 5.2 (Initial *Transition Services*).

"Intellectual Property" means intellectual property, industrial and intangible of whatever nature and kind in any jurisdiction, including software, trademarks, official marks, brand names, business names, trade names, domain names, trading styles, logos, trade secrets, inventions, innovations, discoveries, ideas, know-how, research, processes, developments, formulae, product formulations, compositions of matter, databases, screen designs, interfaces, techniques, models (including function, process, system and data models), works of authorship, works subject to copyright, guides, manuals and designs, and including Modifications to any of the foregoing, in all cases whether patented or patentable, whether registered or unregistered, and in any medium whatsoever.

"Intellectual Property Rights" means any and all rights in respect of, in or to Intellectual Property, whether pursuant to statute, common law or other laws, including any and all:

(a) rights in respect of trademarks and trade names;

(b) copyrights and the benefit of any waivers of moral rights;

(c) database rights;

(d) rights in respect of industrial designs, integrated circuit topographies, and mask works;

(e) patents and patent applications;

(f) rights and obligations in respect of trade secrets; and

(g) all applications, registrations, renewals, extensions, continuations, divisions, reissues, and restorations relating to any such rights (where applicable), now or hereafter in force and effect throughout the world (including any rights in any of the foregoing).

"Key Positions" has the meaning given to it in Section 12.6 (*Key Positions*).

"**Knowledge Base**" has the meaning given to it in **Schedule 5** (*Services*).

"Labour Disruption" means a labour dispute, lockout, strike or other industrial action or labour strife, whether direct or indirect and whether lawful or unlawful.

"Licensee Party" has the meaning given to it in Subsection 20.14 (*Use of Confidential Information in Licensed Rights*).

"License Termination Date" has the meaning given to it in Section 20.7(b)(v).

"Licensor Party" has the meaning given to it in Subsection 20.14 (*Use of Confidential Information in Licensed Rights*).

"Liens" means any and all liens, claims, liabilities, security interests, encumbrances, pledges, mortgages or charges of any kind whatsoever.

"Loss" has the meaning given to it in Section 25.2 (*Indemnification by the Service Provider*).

"Manager" means a person who has another individual or other individuals reporting to him or her where one or more of those individuals also has another individual or individuals reporting to him or her and includes, for greater certainty, the individuals, if any, designated as a Key Position with responsibility for security.

"Mandatory Change" means a change requested pursuant to a Change Request initiated by the Province and designated by the Province as "mandatory" in a notice in writing delivered to Service Provider in situations where:

(a) the Service Provider and the Province are unable to agree upon the Change Request and associated Proposal for any reason;

(b) due to time constraints, the Service Provider and the Province are unable to use, fully complete or otherwise commence the processes set forth in Section 8.3 (*Change Order Process – Change Request*) to Section 8.5 (*Change Request Impact on Fees*);

(c) due to the urgency of the circumstances surrounding the need for the change, the Province requires that the Service Provider implement the changes forthwith; or

(d) the change is specified or deemed as a Mandatory Change in this Agreement,

excluding any change that has an Adverse Impact that cannot be overcome through reasonable alternatives or workarounds.

"Mandatory Change Directive" has the meaning given to it in Section 8.6 (*Implementation of Mandatory Changes)*.

"**Materials**" means Intellectual Property (whether or not embodied in a material, tangible or electronic form), hardware, items, tools and other materials now existing or developed or created in the future.

"Material Breach" has the meaning given to it in Section 28.1 (*Service Provider Material Breach*).

"Material Breach Amount" means an amount equal to $1,000,000.

"Material Infrastructure Change" has the meaning given to it in Section 21.5 (*Material Changes to the Province Shares Infrastructure*).

"Material Subcontract" has the meaning given to it in Section 13.8 (*Material Subcontractors*).

"Material Subcontractor" means any Subcontractor who is a party to a Material Subcontract.

"Mediation Notice" has the meaning given to it in Subsection 27.1(f) (*Informal Dispute Resolution*).

"MFC Pricing" has the meaning given to it in Section 16.11 (*Most Favoured Pricing*).

"**Milestone**" means any Deliverable, Service or other performance obligation of the Service Provider that must be achieved, performed or delivered by the Service Provider and is identified as a "Milestone" in **Schedule 3** (*Transition Methodology, Terms and Remedies*), a Transition Plan or a Change Order.

"**Milestone Credit**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"Milestone Deadline" means, for each Milestone, the deadline by which the Service Provider must complete that Milestone.

"Milestone Payment" means a Fee payable upon completion of a Milestone.

"Ministry" means the Ministry of Technology, Innovation and Citizens' Services of the Province of British Columbia, and any successor thereto.

"**Minor Province Failure**" means any failure by the Province to perform its obligations under this Agreement (other than a failure to make payments in accordance with Section 28.3 (*Material Breach by Province*), or a failure by the Province to provide services to the Service Provider as specifically provided in this Agreement, if any, to the extent that the Services are contingent upon the performance by the Province thereof, that: (a) does not and will not have any material impact on the Service Provider's performance of the Services; (b) will not result in a delay of a Transition (including a failure to complete a Milestone by its applicable Milestone Deadline); and (c) will not require the Service Provider to make a Change Request.

"Modifications" means all corrections, modifications, enhancements, improvements, supplements or derivative works, and includes interface applications in connection with any Software.

"Monthly Base Fees" has the meaning given to it in **Schedule 17** (*Fees and Economic Model*).

"**New Material**" means any and all Materials that have been created or developed or ownership of which has been procured by the Service Provider or any Subcontractor as a result of this Agreement, including the Source Code and Documentation for any software included in such Materials.

"New Records" means any Record created by the Service Provider or its Subcontractors in the performance of the Services which contains Province Confidential Information or Personal Information or other similar types of Records relating to the Services performed by the Service Provider, and for greater clarification does not include any Records created or maintained by the Service Provider for internal or management purposes which do not contain the Province Confidential Information or Personal Information.

"**NRFP**" means the Negotiated Request for Proposal (NRFP # ON-002772) as posted to BC Bid on May 11, 2016, as amended.

"Operations and Expansion Leadership" has the meaning given to it in **Schedule 12** (*Governance*).

"Operations and Expansion Management Team" has the meaning given to it in **Schedule 12** (*Governance*).

"Operations Go Live Approval" has the meaning given to it **Schedule 2** (*Initial Transition Plan and Baseline Requirements*).

"Operations Go Live Date" has the meaning given to it **Schedule 2** (*Initial Transition Plan and Baseline Requirements*).

"Other Service Provider" has the meaning given to it in Section 12.11 (*Cooperation with Other Service Providers*).

"**Other Services**" means Services described in Section 8 (*Other Services*) of **Schedule 5** (*Services*).

"Outcome-based Termination Event" means an event of chronic poor performance measured by one or more Performance Measures that is deemed to be a "Material Breach", as set out a **Schedule 9** (*Performance Management Framework*).

"Parties" means the Service Provider and the Province, and **"Party"** means the Service Provider or the Province, as applicable.

"Performance Action Plan" has the meaning given to it in **Schedule 9** (*Performance Management Framework*).

"Performance Goal" has the meaning given to it in **Schedule 9** (*Performance Management Framework*).

"Performance Guarantee" means an irrevocable and unconditional guarantee of the performance and satisfaction of all liabilities and obligations of the Service Provider under this Agreement to be provided by the Performance Guarantor, in the form attached as **Schedule 22** (*Performance Guarantee*)**.**

"Performance Guarantor" means MAXIMUS Canada Inc.

"Performance Management Framework" has the meaning given to it in **Schedule 9** (*Performance Management Framework*).

"Performance Measure" has the meaning given to it in **Schedule 9** (*Performance Management Framework*).

"Performance Standard" has the meaning given to it in **Schedule 9** (*Performance Management Framework*).

"Person" means any natural person, corporation, division of a corporation, partnership, joint venture (which includes a co-ownership), association, company, estate, unincorporated organization, society, trust, government, agency or Governmental Authority.

"Personal Information" means all recorded information that:

(a) is about an identifiable individual or is defined or deemed as "personal information" pursuant to any laws or regulations related to privacy or data protection that are applicable to the Province or to the Service Provider (including, without limitation, any information that constitutes "personal

information" as such term is defined, from time to time, pursuant to the *Freedom of Information and Protection of Privacy Act* (British Columbia)); and

(b) is transferred to, collected or compiled by, or is otherwise under the Custody, Control or possession of the Service Provider in connection with or as a result of performing the Services under this Agreement, or is otherwise held by the Service Provider on behalf of the Province.

"Personnel" has the meaning given to it in Section 12.10 *(General Principles Regarding Personnel)*.

"Privacy Impact Assessment" means a review of processes, procedures and practices to ensure that Personal Information is collected, managed, stored and protected in accordance with the applicable privacy legislation, policies and commitments (including the *Freedom of Information and Protection of Privacy Act* (British Columbia)).

"Privacy Obligations" has the meaning given to it in Section 17.1 *(Privacy Obligations)*, and as more fully set forth in **Schedule 18** (*Privacy Schedule*).

"**Professional Services**" has the meaning given to it in **Schedule 5** (*Services*).

"Proposal" has the meaning given to it in Section 8.4(a)(v) *(Change Order Process – Change Request)*.

"**Proposal Team**" has the meaning given to it in Section 8.4(a)(vi) *(Change Order Process – Change Request)*.

"Proprietary Software" has the meaning given to it in Section 20.14 (*Use of Confidential Information in Licensed Rights*).

"Province Authorized Representative" means the representative identified by the Province to act as the Province's designated representative, where applicable, under this Agreement.

"Province Confidential Information" means any technical, business, financial, personal, employee, operational, scientific, research or other information or data of the Province, and any other information regarding the Province's business, plans and markets, information of or relating to the Province or of any Person, including Citizens, that has disclosed such information to the Province or its agents, in whatsoever form or media, whether in writing, in electronic form or communicated orally or visually that, at the time of disclosure is designated as confidential (or like designation), or by its sensitive nature should be treated as confidential, or if it were information of the Service Provider, would be treated as confidential information by the Service Provider, and including any Personal Information, the Province Proprietary Software, Province Data and all information or data with respect to the Province Records, whether or not designated as confidential (or like designation).

"**Province Data**" means all data that is provided by or on behalf of the Province or any user of the Services or that is received by the Service Provider for the Province or any user of the Services in connection with the Agreement or the receipt of the Services by the Province, including any information derived from that data and all metadata and other similar information resulting from access or use of software and systems used to deliver the Services.

"**Province Dependencies**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"**Province Dependency Target Date**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"Province Indemnified Parties" has the meaning given to it in Section 25.2 (*Indemnification by the Service Provider*).

"Province Intellectual Property" means the Province Materials and all other Intellectual Property and all other Intellectual Property Rights of the Province including, without limitation, those owned or otherwise acquired by the Province before or after the execution of this Agreement, whether or not specifically referred to in this Agreement.

"Province Licensed Software" means the Third Party Software for which the Province has a license to use in the Province of British Columbia and which the Province has the right to authorize the Service Provider to use in the manner specified in Section 20.7 (*License to Use Province Materials for the Services).*

"Province Marks" has the meaning given to it in Section 11.2 *(Use of Province Marks)*.

"Province Material Breach" has the meaning given to it in Section 28.3 (*Material Breach by Province*).

"Province Materials" has the meaning given to it in Section 20.2 (*Ownership of Province Materials*).

"**Province Ministries**" means all ministries of the Province of British Columbia.

"Province Policies" means the policies of the Province from time to time, including without limitation:

(a) the Province's accounting policy;

(b) the Province's Core Policy and Procedures Manual, including all policies referenced therein (which, as at the date of this Agreement, is available at http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/CPMtoc.htm);

(c) all IM/IT policies, standards and guidelines located on the Government CIO website (which, as at the date of this Agreement, are available at http://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/central-government-agencies/office-of-the-chief-information-officer);

(d) other governmental policies relating to reporting or data and record keeping, but excluding policies regarding human resource management; and

(e) such other policies notified to the Service Provider by the Province from time to time,

and "**Province Policy**" means any one of the Province Policies.

"Province Proprietary Software" means Software owned by the Province, including object and source code versions, and any Documentation and any Modifications or interfaces relating to the foregoing created by or on behalf of the Province from time to time, but excluding Third Party Software.

"Province Records" means all New Records and all Records of the Province of which the Service Provider is given Custody during the Term, including all Records containing Personal Information or other Province Confidential Information and all Records relevant to the performance of the Services and other transactions contemplated in this Agreement, and includes the Transferred Records.

"Province Shared Infrastructure" means those parts or components of certain Systems owned and operated by the Province, or on behalf of the Province by third party Persons, which are required by the Service Provider to support the delivery and performance of the Services, and which Systems are shared resources of the Province used to support other services and other uses by the Province as well, as such Systems are expressly and specifically listed in **Schedule 25** (*Province Shared Infrastructure*), as such Schedule may be amended or updated by the Parties from time to time.

"**Province Software**" means Province Proprietary Software and Province Licensed Software.

"PST" means all applicable provincial sales or service taxes payable in pursuant to the *Social Services Tax Act* (British Columbia) as the same may from time to time be amended or replaced.

"Publicity Materials" has the meaning given to it in Section 11.4 (*Publicity*).

"Records" means, unless otherwise directed by the Province in writing, "record" as defined in the *Interpretation Act* and "government information" as defined in the *Information Management Act*.

"Recovery Time Objective" means the maximum acceptable period of time that can elapse before a disruption in Services is remedied in order to prevent the occurrence of material adverse effects as a result thereof, consisting of:

(a) the period of time between the occurrence of a disruption and the declaration of a Disaster in connection with the disruption; and

(b) the period of time from the declaration of a Disaster to the completion of the steps and actions required to be undertaken in respect of the Disaster in accordance with the Business Continuity Plan, and the resumption of the delivery of the Services in the ordinary course as a result of the implementation of the Business Continuity Plan.

"Risk Register" means a document that captures a list of identified risks and for each: (a) its potential causes and impacts; (b) current treatment strategies in place to control the risk; (c) a risk rating (likelihood and consequences) based on current controls in place; (d) decision on action to be taken to develop additional risk controls, if applicable; (e) deliverables identified to develop and implement additional risk controls, if applicable; (f) the risk owner; timelines to implement additional risk controls; and (g) any dependencies.

"Service BC" means the organization within the Ministry which provides frontline government services and information in British Columbia.

"Service Expansion" means the expansion of Services through the process, including the performance of Business Development Services, set out in **Schedule 5** (*Services*).

"Service Levels" means the measurements of performance levels (including Performance Measures) with respect to the Services, and corresponding minimum performance levels to be achieved by the Service Provider in performing the Services (including Performance Standards), which will be used to assess achievement of the Strategic Outcomes, as set forth and described in **Schedule 9** (*Performance Management Framework*), as may be amended from time to time in accordance with this Agreement.

"Service Locations" means has the meaning given to it in Section 7.2 (*Service Locations*).

"Service Provider" has the meaning given to it in the first paragraph of this Agreement.

"Service Provider Confidential Information" means any technical, business, financial, personal, employee, operational, scientific, research or other information or data of the Service Provider and information of the Subcontractors, and any other information regarding the Service Provider's or its Subcontractor's business, plans and markets, information of or relating to the Service Provider, in whatsoever form or media, whether in writing, electronic form or communicated orally or visually that, at the time of disclosure is designated as confidential (or like designation), or by its sensitive nature should be treated as confidential, or if it were information of the Province, would be treated as confidential information by the Province, and the Service Provider's, or its Subcontractors financial information, purchasing and cost information, price and cost data.. Notwithstanding the foregoing, the "Service Provider Confidential Information" will exclude all Province Confidential Information, whether or not expressly indicated for exclusion.

"Service Provider Group" has the meaning given to it in Subsection 33.12(d) (*Governing Law)*.

"Service Provider Mark" has the meaning given to it in Section 11.3 (*Service Provider Marks*).

"Service Provider Software" means the Software owned by the Service Provider or its Affiliates on the Hand-Over Date, or which it or its Affiliates develops or acquires after the Hand-Over Date independent of this Agreement, including object and source code versions, Documentation and any Modifications or interfaces relating to the foregoing, created by or on behalf of the Service Provider from time to time, and that are used in the provision of the Services and which do not constitute Province Software or Third Party Software.

"**Service Software**" means the SP Software, including new versions, updates, revisions, improvements and Modifications of the foregoing, that the Service Provider provides access to and use of as part of any Technology Platform Extension Services.

"Services" has the meaning given to it in Section 6.1 (*Overview of Services*).

"Shared Infrastructure Use Period" has the meaning given to it in Section 21.2 (*Use of Province Shared Infrastructure*).

"Shared Vision" has the meaning given to it in Section 2.1 (*Shared Vision*).

"Software" means software applications, software tools, methodologies and computer programs, including all versions thereof, and all related documentation, manuals, program files, data files, computer related data, field and data definitions and relationships, data definition specifications, data models, program and system logic, program modules, routines, sub-routines, algorithms, program architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts, technology and techniques, object code (and if obtained, Source Code) and interfaces.

"**Solution**" means the Services, together with all required staff, processes, technology and other resources that support the delivery of Services in accordance with this Agreement.

"Source Code" means the human-readable form of a computer instruction, including related system documentation, applicable comments and procedural codes such as job control language.

"Source Materials" means, in relation to items of Software, supporting materials that would enable a reasonable skilled programmer to compile, debug and support and/or make improvements to such software in a commercially reasonable manner including (i) any Source Code related thereto, reasonably annotated, (ii) technical and system documentation including detailed design, functional, operational, and technical documentation, flow charts, diagrams, file layouts, report layouts, screen layouts, business rules, data and database models and structures, working papers and reasonably related notes and memoranda in electronic or written format, which were made or obtained in relation to the design and development of such software and compilation instructions related to such software, (iii) listing by name, version and vendor of relevant third Persons' compliers, utilities and other software that are necessary for normal operation of such software to which the Source Materials related including sufficient information to procure a license from such vendors, (iv) a detailed listing of relevant equipment and information necessary for normal operation of such software, and (v) all other information reasonably necessary to rebuild, install, and otherwise implement the Software in the context of the applicable System(s) including, without limitation, all relevant tools, programs, files, encryptions keys, make files, installation instructions, systems settings, and database settings.

"Specifications" means, in respect of any Deliverable, Province Approval Component, Service or Technology, the technical, functional, physical, design, environmental, operational, performance or other relevant specifications, capabilities or requirements therefor set out in this Agreement (including any Change Order), developed by the Service Provider and delivered to the Province as part of a Transition or as otherwise inherent, necessary or customarily included as part of any such specifications or requirements.

"SP Affiliate Bespoke Software" means the Software owned by any Affiliate of the Service Provider, which is not generally licensed by such Affiliate, as licensor, to others, as licensee, on commercially available terms, and that is used in the provision of the Services;.

"SP Affiliate Commercial Software" means the Software that is licensed by any Affiliate of the Service Provider, as licensor, on commercially available terms and is used in the provision of the Services; for the purposes of clarity, SP Affiliate Commercial Software excludes SP Affiliate Bespoke Software and SP Proprietary Software.

"**SP Technology Platforms**" means the Software, Systems and computer hardware, consumables, operating systems, firmware, telecommunications, networking, routing, cabling, power supplies, electrical or other infrastructure equipment that are used by the Service Provider to deliver the Services (including the SP Software, but excluding assets of the Province described

in Section 20.1 (*Ownership of Province Assets*), as necessary to meet the Specifications set out in **Schedule 26** (*SP Technology Capabilities*).

"SP Licensed Software" means the Third Party Software for which the Service Provider has a license to use and which the Service Provider has the right to authorize the Province to use in the manner specified in Section 20.9 (*Use of SP Licensed Software*).

"SP Materials" has the meaning given to it in Section 20.3 (*Ownership of SP Materials*).

"SP Proprietary Software" means the Software owned by the Service Provider on the Hand-Over Date, or which it develops or acquires after the Hand-Over Date independent of this Agreement, including object and source code versions, Documentation and any Modifications or interfaces relating to the foregoing, created by or on behalf of the Service Provider from time to time, and that is used in the provision of the Services.

"**SP Software**" means SP Proprietary Software and SP Licensed Software.

"Specifications" means, in respect of any Service, Materials, systems, databases or facilities, the technical, functional, physical, design, environmental, operational, performance or other relevant specifications or requirements therefor: (a) set out in this Agreement; (b) with respect to hardware and Software, specified by the applicable manufacturers, provider or licensors of such hardware and Software; or (c) otherwise inherent, necessary or customarily included as part of any such specifications or requirements specifically set out herein or therein, including any specifications, representations, warranties or covenants applicable to such Services, Materials, systems, databases or facilities.

"**Stabilization**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"**Stabilization Period**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"**Strategic Outcomes**" means desired strategic outcomes to be achieved through the Service Provider's performance of the Services and execution of this Agreement as set out in Section 4 of **Schedule 9** (*Performance Management Framework*).

"Strategic Plan" has the meaning given to it in Section 6.12.

"Subcontract" means a contract entered into between the Service Provider and a Subcontractor, but does not include Supplier Agreements.

"Subcontractor" means any third party Person engaged by the Service Provider to perform any of the Services on behalf of the Service Provider, and includes a Material Subcontractor and an Assigned Subcontractor, but does not include a Supplier.

"Supplier" means a third party supplier for the delivery and provision of non-material and ordinary course goods and services relating to or in connection with the Services contemplated by this Agreement, but expressly excluding Subcontractors.

"Systems" means the hardware, equipment, software and communications equipment which is required or otherwise used in the performance of the Services.

"SysTrust Report" has the meaning given to it in Section 22.7 (*Internal Controls*).

"T&M Rates" has the meaning given to it in **Schedule 17** (*Fees and Economic Model*).

"Taxes" mean any and all taxes, fees, levies, or other assessments, including federal, state, local, or foreign income, capital, profits, excise, real or personal property, sales (including PST), withholding, social security, occupation, use, services, value added (and for greater clarification, including GST and PST), license, net worth, payroll, franchise, severance, stamp, transfer, registration, premium, windfall, environmental, customs duties, unemployment, disability, or any similar taxes imposed by any Taxing Authority together with any interest, penalties or additions to tax and additional amounts imposed with respect thereto (including any fee or assessment or other charge in the nature of or in lieu of any tax) in each case, whether imposed by law or otherwise, and any liability in respect of any tax as a result of being a member of any affiliated, consolidated, combined, unitary or similar group.

"Taxing Authority" means any multinational, national, federal, state, provincial, local, municipal or other government (including any governmental agency, branch, department, official, entity, court or other tribunal and any body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory or taxing authority or power of any nature) responsible for the imposition or collection of any Taxes.

"**Technology**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"**Technology Platform Extension Services**" means the access and use of any Service Software as a service, including the hosting, management and operation of the Service Software to support the provision of such service, as described in **Schedule 5** (*Services*).

"Term" means the Initial Term and any Extensions.

"Termination" means the expiry or earlier termination (in whole or in part) of this Agreement or any of the Services pursuant to the provisions of this Agreement.

"Termination Assistance Period" means the period commencing upon the first to occur of either (a) delivery by the Province of a Termination Notice to the Service Provider (unless the Province specifies a later commencement date of the Termination Assistance Period in the Termination Notice, in which case the period will commence on that date) and (b) 12 months before expiry of the Term, and ending on the earlier of the completion of the Termination Services or twelve (12) months after the Termination Date, as such period may be extended pursuant to Section 29.5 (*Extension of Termination Services*).

"Termination Assistance Plan" has the meaning given to it in Section 29.2 (*Termination Assistance Plan*).

"Termination Date" means the effective date of the Termination of the Initial Term or any applicable Extension.

"Termination for Convenience Fee" has the meaning given to it **Schedule 17** (*Fees and Economic Model*).

"Termination Licensed Software" has the meaning give to it in Subsection 29.1(f) (*Termination Services*).

"Termination Notice" means a written notice terminating this Agreement, if applicable, given by one Party to the other in accordance with the terms of this Agreement.

"Termination Services" has the meaning given to it in Section 29.1 (*Termination Services*).

"Third Party Software" means any Software that is subject to a license from a third party Person, including an Affiliate of the Service Provider, that is required for use by the Service Provider in providing the Services under this Agreement, and includes SP Affiliate Commercial Software and SP Affiliate Bespoke Software.

"**Transactional Services**" has the meaning given to it in **Schedule 5** (*Services*).

"Transferred Records" means those Records transferred by the Province to the Service Provider under the terms of this Agreement.

"**Transition**" means the Initial Transition or a subsequent project to implement a change to the Services or a new Service (including any such change resulting from the performance of Continuous Improvement Services or expansion of Services to Client Ministries in accordance with **Schedule 5** (*Services*)) in accordance with the terms, conditions and requirements of **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"**Transition Deficiency Log**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"**Transition Plan**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"Transition Success Report" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"Transition Success Report – Initial Transition" has the meaning given to it in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*).

"Transitioned Services" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"Transitioned Services Go Live Approval" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

"Work-in-Progress Projects" means those projects described in the attached **Schedule 4** *(Work-in-Progress Projects)* that are not completed by the Province prior to the Hand-Over Date.

SCHEDULE 2

INITIAL TRANSITION PLAN AND BASELINE REQUIREMENTS

1. **Introduction.**

This Schedule set out: (a) additional details with respect to the Initial Transition; (b) the key requirements, including Milestones, for the Initial Transition, including for the Initial Transition Plan; (c) the High Level Initial Transition Plan; and (d) the Province Dependencies applicable to the Initial Transition Services.

2. **Definitions.**

Capitalized terms used and not otherwise defined in this Schedule will have the meaning set out **Schedule 1** (*Definitions*). For purposes of this Schedule, unless something in the subject matter is inconsistent therewith, following terms shall have the following meanings:

(a) "**Detailed Transition Plan Status Report**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

(b) "**High Level Transition Plan**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

(c) "**Incumbent Service Providers**" means IBM Canada Ltd., including its subcontractors (including Robertson Telecom), and Virtual Computer Consultants Inc.

(d) "**Initial Knowledge Base Content**" has the meaning set out in Section 16 below.

(e) "**Initial Knowledge Base Development Plan**" has the meaning set out in Section 16 below.

(f) "**Initial Transition Completion Criteria**" means the criteria for Operations Go Live Approval set out in the Transition Success Report – Initial Transition (Approved by the Province), including the criteria set out in Section 21 below.

(g) **"Legacy Knowledge Base"** means the knowledge base developed and used by IBM Canada Ltd., including its subcontractors (including Robertson Telecom), to provide services similar to the Services as of immediately prior to the March 31, 2017, excluding any portions thereof that the Province is not permitted to disclose to the Service Provider under the Province's confidentiality obligations to such Incumbent Service Provider.

(h) "**Operations Go Live Approval**" means the Approval of the Province for the Service Provider to commence providing the Base Services on the Operations Go Live Date based on the satisfaction of the Initial Transition Completion Criteria (provided, however, that the Province may, in its sole discretion, as a condition of Approval defer the satisfaction of any such criteria, in whole or in part, to be satisfied in the Stabilization Period in accordance with the Transition Deficiencies Log for the Initial Transition).

(i) "**Operations Go Live Date**" means the first Business Day after the Hand-Over Date.

(j) "**Stabilization Period Completion Criteria**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

(k) "**Technology Component**" has the meaning given to in Section 19 below.

(l) "**Transition Success Report – Initial Transition**" has the meaning given to it in Section 15 below.

3. Collaboration.

The Parties acknowledge and agree that the Initial Transition is critical to the effective implementation of the full intent of this Agreement. In alignment with Shared Vision, Guiding Principles and Objectives, the Service Provider and the Province agree to work collaboratively to:

(a) ensure timely completion of the tasks, Milestones, and associated reviews, approvals, and decisions, essential to the success of the Initial Transition;

(b) establish and maintain effective communication throughout the Initial Transition; and

(c) keep each other informed of unanticipated events that may adversely impact the Initial Transition timelines.

Notwithstanding the foregoing, the Service Provider acknowledges and agrees that it has ultimate responsibility to complete the Initial Transition Services in accordance with and pursuant to the terms of this Agreement, including the terms set forth in this Schedule.

4. Initial Transition Scope.

Without limiting the scope of Initial Transition Services defined Section 5.2 (*Initial Transition Services*) of the main body of this Agreement, the Initial Transition Services that the Service Provider must perform include the following:

(a) ensuring the Services will, upon the Hand-Over Date, seamlessly and without interruption replace the similar information, transactional and other services provided by the Incumbent Service Providers to the Province as of immediately prior to the Hand-Over Date, which include the following services for Citizens described in more detail in **Schedule 5** (*Services*):

(b) referral and information services by telephone (toll-free) and email;

(c) general information and path-finding services within Interactive Voice Response (IVR) systems for BCeID;

(i) demand transfers to verified Province phone numbers;

(ii) electronic forms completion for the Address Change BC web form;

(iii) provision of Citizens service support desk;

(iv) telephone service delivery for hearing impaired; and

(v) language services as specified in **Schedule 6** (*Language of Services*).

(d) creating (with insight and input provided by the Province), managing and being fully responsible for the Initial Transition Plan;

(e) in addition to the Key Positions set out in **Schedule 13** (*Key Positions*) and without limiting Sections 12.10(c) and 24.2(l) of the main body of this Agreement, ensuring qualified, knowledgeable and competent Personnel (and if applicable, External Personnel) are assigned to the performance of Initial Transition Services;

(f) using Personnel (and if applicable, External Personnel) with appropriate subject matter expertise (SME) to reduce risks associated with the Initial Transition;

(g) designing and implementing technology to support delivery of the Services described in **Schedule 26** (*SP Technology Capabilities*) in accordance with the requirements set out in Section 19 below;

(h) integrating the transition-out plans from the Incumbent Service Providers into the Detailed Initial Transition Plan;

(i) building a business process repository that provides the Province with access to the current process maps;

(j) documenting the general process of the Initial Transition in a format that creates a standardized tool and document set to enable future Service expansion;

(k) building and implementing a current, accessible and reliable knowledge base repository that provides the Province with access to the knowledge base;

(l) designing and implementing business processes to ensure Citizens have the ability to provide feedback on the Services through all channels and for all interactions;

(m) implementing the Citizen feedback surveys described in **Schedule 9** (*Performance Management Framework*) in accordance with that Schedule, which will be utilized as part of the Performance Management Framework;

(n) in consultation with the Province, implementing continuous improvement processes in accordance with **Schedule 5** (*Service*s);

(o) developing or updating existing business processes and work instructions that will enable the successful Initial Transition in accordance with this Agreement;

(p) ensuring that all Milestones for the Initial Transition are completed by their respective Milestone Dates; and

(q) unless otherwise set out in this Schedule, performing the activities and other responsibilities of the Service Provider set out in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

5. **Completion of the Initial Transition.**

The Initial Transition will be completed upon the commencement of the Hand-Over Date after the Province has provided Operations Go Live Approval.

6. **Operations Go Live.**

For clarity, while the transition of services provided by the Incumbent Service Provider to the Services provided Service Provider will occur on the Hand-Over Date, the Service Provider will not commence providing Base Services until the Operations Go Live Date.

7. **Stabilization Period.**

The Stabilization Period for the Initial Transition will commence upon the Hand-Over Date. During the Stabilization Period, the Service Provider will:

(a) complete all components of the Initial Transition deferred to completion during the Stabilization Period pursuant to Section 5.4 (*Completion of Initial Transition*) of the main body of this Agreement;

(b) resolve or correct all Transition Deficiencies (including Fixing Deferred Deficiencies) with respect to the Initial Transition in accordance with the Transition Deficiencies Log for the Initial Transition;

(c) complete the benchmarking with respect to certain Performance Measures in accordance with **Schedule 9** (*Performance Management Framework*) for the purpose of setting Performance Standards for those Performance Measures for future periods during the Term;

(d) use the form of questionnaire and related methodology set out in **Attachment D** (*Legacy Form of Questionnaire and Related Methodology*) attached to **Schedule 9** (*Performance Management Framework*) to ensure Service performance in the Stabilization Period is equal to or greater than the level of service that was provided by the Incumbent Service Providers prior to the Hand-Over Date.

For clarity, the Stabilization Period for the Initial Transition is not part of the Initial Transition and commences after completion of the Initial Transition.

8. **Initial Transition Governance.**

In accordance with **Schedule 12** (*Governance*), the Service Provider will assign a member of its Personnel to the role of its Transition Lead and, together with the Province's Transition Lead, the Transition Leads, as part of the Operations and Expansion Management Team, will be the first Governance Level with respect to the Initial Transition.

9. **Initial Transition Milestones.**

(a) On or before each of the dates set forth in the table below in the column under the heading "Milestone Deadline", the Service Provider will complete the corresponding Milestone described in the column under the heading "Milestone".

#	Milestone	Milestone Deadline	Milestone Completion Criteria	Milestone Payment
1.	Delivery of the Detailed Initial Transition Plan	January 31, 2017	1. The Detailed Initial Transition Plan is received by the Province	As set out in **Schedule 17** (*Fees and*

#	Milestone	Milestone Deadline	Milestone Completion Criteria	Milestone Payment
	to the Province and Approval of the Initial Transition Success Report – Initial Transition		and complies with the requirements of the High Level Transition Plan set out in this Schedule. 2. The Province Approves the first Initial Transition Success Report which forms part of the Detailed Initial Transition Plan and Approves the Stakeholder Engagement Strategy	*Economic Model*)
2.	Commencement of reporting with respect to progress against the Detailed Initial Transition Plan	February 1, 2017	The reporting with respect to the Detailed Initial Transition Plan, including the provision of updated Transition Success Reports and Detailed Transition Plan Status Reports, commences and complies with the requirements of this Agreement	None
3.	Completion of Exploration	March 31, 2017	The Service Provider has completed the Exploration phase of the Initial Transition (as described in **Schedule 3** (*Transition Methodology, Terms and Remedies)* and other key deliverables as noted below. For clarity, this includes completion of the following: requirements of Technology Components, Transition Communications Plan (Approved by the Province), Training Strategy, Recruitment Plan and Quality Management Plan.	As set out in **Schedule 17** (*Fees and Economic Model*)
4.	Operations Go Live Approval, finalization of Transition	June 15, 2017	1. The final Transition Success Report – Initial Transition is Approved by the Province	As set out in **Schedule 17** (*Fees and Economic*

#	Milestone	Milestone Deadline	Milestone Completion Criteria	Milestone Payment
	Success Report – Initial Transition and delivery of Transition Deficiencies Log		2. The Transition Deficiencies Log for the Initial Transition is received by the Province and it complies with requirements for it set out in this Agreement, including setting out a plan and strategy to resolve all outstanding Transition Deficiencies with respect to the Initial Transition 3. The Province provides Operations Go Live Approval based on the Initial Transition Completion Criteria	*Mode*l)
5.	An updated Transition Deficiencies Log for the Initial Transition is received by the Province	Hand-Over Date	An updated Transition Deficiencies Log for the Initial Transition is received by the Province and it complies with requirements for it set out in this Agreement, including setting out a plan and strategy to resolve all outstanding Transition Deficiencies with respect to the Initial Transition as of the Hand-Over Date	None
6.	Completion of the Initial Transition	July 1, 2017	The Province has provided Operations Go Live Approval and the Initial Transition is completed in accordance with this Schedule	None
7.	Operations Go Live	July 4, 2017	Service Provider commences the provision of Base Services after the completion of the Initial Transition	None

#	Milestone	Milestone Deadline	Milestone Completion Criteria	Milestone Payment
8.	Completion of the Stabilization Period	September 30, 2017	Satisfaction of the Stabilization Period Completion Criteria	As set out in **Schedule 17** (*Fees and Economic Model*)

(b) A Milestone in the table above in this Section 9 (i.e. an Initial Transition Milestone) will not be "completed" until: (i) the Service Provider has completed the applicable Milestone in accordance with this Agreement; and (ii) the Milestone has been completed based on meeting the criteria set out in table above under the heading "Milestone Completion Criteria".

(c) In accordance with **Schedule 17** (*Fees and Economic Model*), the Base Fees for the provision of Initial Transition Services will be payable on an instalment basis, conditional upon the completion of the Initial Transition Milestones identified in the table above in this Section 9 as having an associated Milestone Payment.

10. **Remedies of the Province for Failure to meet Go Live Dates.**

Without limiting Province other rights or remedies under this Agreement (including under Sections 5.7 and 5.8 of the main body of this Agreement), if the Service Provider fails to complete Initial Transition Milestone #6 on or before its Milestone Deadline, the Service Provider will, in order to compensate the Province in part for the reduced value of the Services provided by the Service Provided with respect to the Initial Transition, pay or credit to the Province a Milestone Credit in the amount of $2,500 for each day after such Milestone Deadline that Initial Transition Milestone #6 remains uncompleted, up to a maximum of 30 days of Milestone Credits.

11. **High Level Initial Transition Plan.**

(a) Attached as **Attachment A** (*High Level Initial Transition Plan*) to this Schedule is a full copy of the High Level Initial Transition Plan.

(b) In accordance with Section 12 below, the High Level Initial Transition Plan will be replaced by the more detailed Initial Transition Plan.

(c) The High Level Initial Transition Plan has been developed in accordance with the MAXIMUS Project Life Cycle (PLC) methodology. It structures the Initial Transition into the following four phases, which are described in **Schedule 3** (*Transition Methodology, Terms and Remedies*):

- Exploration;
- Planning;
- Development; and
- Deployment.

The Initial Transition is followed by a Stabilization phase also described in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

(d) More details with respect to the activities that will be performed in each of the phases of the Initial Transition are set out in the High Level Initial Transition Plan.

12. **Detailed Initial Transition Plan.**

(a) Within 31 days after the Effective Date, the Service Provider will, in consultation with the Province and based on the High Level Initial Transition Plan, prepare the Detailed Initial Transition Plan. Subject to Section 5.3 (*Modifications to Initial Transition Plan*) of the main body of this Agreement, the Detailed Initial Transition Plan will be materially and substantially consistent with the High Level Initial Transition Plan and will comply with all of the requirements of this Schedule (including the Initial Transition Milestones and associated Milestone Dates, but excluding **Attachment A** (*High Level Initial Transition Plan*)) and, as applicable, **Schedule 3** (*Transition Methodology, Terms and Remedies*), but will have more detail than was available on the Effective Date. The Detailed Initial Transition Plan must include, without limitation, the following sub-plans, strategies and other documentation for the Initial Transition in accordance with **Schedule 3** (*Transition Methodology, Terms and Remedies*), which in some cases, as noted below, will be delivered after the initial version of the Detailed Initial Transition Plan:

(i) the Transition Success Report – Initial Transition, which is subject to the Approval of the Province and must be delivered by the Service Provider to the Province on or before January 31, 2017;

(ii) a Project Charter (as defined in **Schedule 3** (*Transition Methodology, Terms and Remedies*)), which must be delivered by the Service Provider to the Province on or before January 31, 2017;

(iii) a Transition Risk Register (as defined in **Schedule 3** (*Transition Methodology, Terms and Remedies*)), which must be delivered by the Service Provider to the Province on or before January 31, 2017;

(iv) a Recruitment Strategy (as defined in **Schedule 3** (*Transition Methodology, Terms and Remedies*)), which must be delivered by the Service Provider to the Province on or before January 31, 2017;

(v) a Recruitment Plan, which must be delivered by the Service Provider to the Province on or before January 31, 2017;

(vi) a Training Strategy (as defined in **Schedule 3** (*Transition Methodology, Terms and Remedies*)), which must be delivered by the Service Provider to the Province on or before January 31, 2017;

(vii) a Training Plan (as defined in **Schedule 3** (*Transition Methodology, Terms and Remedies*)), which must be delivered by the Service Provider to the Province on or before January 31, 2017;

(viii) a Stakeholder Engagement Strategy (as defined in **Schedule 3** (*Transition Methodology, Terms and Remedies*)) which is subject to the Approval of the Province, which must be delivered by the Service Provider to the Province January 31, 2017;

(ix) a Transition Communications Plan (as defined in **Schedule 3** (*Transition Methodology, Terms and Remedies*)) which must be delivered by the Service Provider to the Province for Approval as specified in Section 13 below;

(x) a Quality Management Plan (as defined in **Schedule 3** (*Transition Methodology, Terms and Remedies*)), which must be delivered by the Service Provider to the Province on or before March 31, 2017;

(xi) the Initial Knowledge Base Content Development Plan, which must be delivered by the Service Provider to the Province on or before February 7, 2017;

(xii) a Test Strategy (as defined in **Schedule 3** (*Transition Methodology, Terms and Remedies*)), which must be delivered by the Service Provider to the Province on or before April 30, 2017; and

(xiii) a Deployment Plan (as defined in **Schedule 3** (*Transition Methodology, Terms and Remedies*)), which must be delivered by the Service Provider to the Province on or before May 10, 2017.

(b) Conditional upon the Detailed Initial Transition Plan meeting the requirement for it set out in this Schedule, upon the Province receiving the Detailed Initial Transition Plan and Approving the Transition Success Report – Initial Transition and the Stakeholder Engagement Strategy (which both form part of the Detailed Initial Transition Plan), the High Level Initial Transition Plan will be deemed superseded and replaced by the Detailed Initial Transition Plan.

(c) Any change to the Detailed Initial Transition Plan must be made in accordance with Section 5.3 (*Modifications to Initial Transition Plan*) of the main body of this Agreement.

(d) If the Service Provider is unable to prepare and provide to the Province a Detailed Initial Transition Plan and obtain the Province's Approval of the Transition Success Report – Initial Transition and the Stakeholder Engagement Strategy within 31 days after the Effective Date, the Province may, at its option:

(i) give written notice to the Service Provider extending the deadline date for preparing the Detailed Initial Transition Plan, in which case the Service Provider will perform the Initial Transition Services and carry out the Initial Transition in accordance with the High Level Initial Transition Plan until the Service Provider has prepared and provided to the Province a Detailed Initial Transition Plan and obtained the Province's Approval of the Transition Success Report – Initial Transition and the Stakeholder Engagement Strategy; or

(ii) designate the matter as an Expedited Dispute and the Expedited Dispute process set forth in Section 27.3 (*Expedited Dispute*) of the main body of this Agreement

shall be utilized to resolve the Expedited Dispute, including to determine the appropriate form of Transition Success Report – Initial Transition.

For greater certainty, any extension by the Province of the deadline date for preparing a working Detailed Initial Transition Plan or any Expedited Dispute process shall not relieve the Service Provider of any of its other obligations under this Agreement including its obligation to complete the Initial Transition by the Hand-Over Date.

13. **Transition Communications Plan.**

The Service Provider will prepare and deliver to the Province for its Approval the Transition Communications Plan for the Initial Transition in accordance with **Schedule 3** (*Transition Methodology, Terms and Remedies*) on or before February 28, 2017. Upon the Province's Approval of the Transition Communications Plan, it will be deemed to form part of the Detailed Initial Transition Plan.

14. **Initial Transition Reporting.**

(a) The Service Provider will report on the Initial Transition in accordance with **Schedule 3** (*Transition Methodology, Terms and Remedies*), including by providing updated Transition Success Reports and Detailed Transition Plan Status Reports.

(b) The Service Provider will provide Detailed Transition Plan Status Reports periodically throughout the Initial Transition in accordance with **Schedule 15** (*Reporting Requirements*).

(c) The Service Provider will provide an updated Transition Success Report periodically throughout the Initial Transition in accordance with **Schedule 15** (*Reporting Requirements*).

15. **Transition Success Report Requirements.**

The Transition Success Report for the Initial Transition, as updated during the Initial Transition (the "**Transition Success Report – Initial Transition**") will comply with the requirements for Transition Success Reports set out in **Schedule 3** (*Transition Methodology, Terms and Remedies*) and the following requirements:

(a) The Transition Success Report – Initial Transition will identify the key success factors for delivery of the Initial Transition Services and completion of the Initial Transition, including the Initial Transition Completion Criteria; and

(b) The Transition Success Report – Initial Transition will report on progress of the Initial Transition and performance of the Initial Transition Services against the Initial Transition Plan.

16. **Knowledge Base.**

As a key Deliverable of the Initial Transition, the Service Provider will develop the initial content for the Knowledge Base that will used by Agents as of the Operations Go Live Date (the "**Initial Knowledge Base Content**") in accordance with the following requirements:

(a) the development of the Initial Knowledge Base Content will take into account the Legacy Knowledge Base, which the Service Provider will review;

(b) the Initial Knowledge Base Content must comply with capabilities set out in Section 4.6 of **Schedule 26** (*SP Technology Capabilities*);

(c) the Service Provider will follow the following processes in the development of the Initial Knowledge Base Content:

(i) The Service Provider will develop a plan that outlines its approach to development of the initial content for the Knowledge Base (the "**Initial Knowledge Base Content Development Plan**"). This plan will be provided to the Province for its information as part of the Detailed Initial Transition Plan.

(ii) The Service Provider will report on the progress of the Initial Knowledge Base Content activities beginning after the Initial Knowledge Base Content Development Plan is delivered to the Province.

(iii) As part of the Quality Management Plan for the Initial Transition, the Service Provider will develop a process document that will outline the way the Knowledge Base will be updated and improved over time, kept current, and the way that Deficiencies in the Knowledge Base will be identified and addressed to meet the Service Provider's quality assurance obligations under **Schedule 5** (*Services*).

(iv) The Service Provider will correct any Deficiencies in the Initial Knowledge Base Content that the Province identifies.

For clarity, despite the content (e.g. the Legacy Knowledge Base) and input provided by the Province (including Deficiencies in the Initial Knowledge Base identified by the Province), the Service Provider will be solely responsible for the accuracy of Knowledge Base, including the Initial Knowledge Base Content. Further, the Service Provider acknowledges and agrees that it will be responsible for building any aspects of the Knowledge Base that need to be built as a result of the Province not being able to obtain the Legacy Knowledge Base from the Incumbent Service Providers for any reason outside of the Province's control.

17. **Assistance with Initial PIA for this Agreement.**

The Service Provider will assist the Province with the finalization of the Privacy Impact Assessment for this Agreement by, in consultation with the Province, preparing and delivering to the Province, no later than March 31, 2017, an updated version of the Privacy Impact Assessment that was submitted by the Province in draft form prior to the Parties entering into this Agreement. The Service Provider will make revisions to the updated Privacy Impact Assessment based on the Province's input and re-submit it to the Province until for the Province Approves the updated Privacy Impact Assessment as the final Privacy Impact Assessment. For clarity, the Province will determine in its sole discretion the content of the final Privacy Impact Assessment that is submitted.

18. **Assistance with Initial STRA for this Agreement.**

The Service Provider will assist the Province with the finalization of the Security Threat Risk Assessment for this Agreement by, in consultation with the Province, preparing and delivering to the Province, no

later than March 31, 2017, an updated version of the Security Threat Risk Assessment that was submitted by the Province in draft form prior to the Parties entering into this Agreement. The Service Provider will make revisions to the updated Security Threat Risk Assessment based on the Province's input and re-submit it to the Province until for the Province Approves the updated Security Threat Risk Assessment as the final Security Threat Risk Assessment. For clarity, the Province will determine in its sole discretion the content of the final Security Threat Risk Assessment that is submitted.

19. **Technology Implementation Requirements.**

The Service Provider will design, test and implement all Technology necessary to support delivery of the Services in accordance with this Agreement, including the SP Technology Platforms described in **Schedule 26** (*SP Technology Capabilities*) in accordance with the following requirements:

(a) the design, testing and implementation of such Technology will be completed in accordance with **Schedule 3** (*Transition Methodology, Terms and Remedies*);

(b) the design and implementation of such Technology will be completed by component, based on the components identified below and described in more detail in **Schedule 26** (*SP Technology Capabilities*) (each, a "**Technology Component**"):

(i) Contact Centre;

(ii) Omni Channel;

(iii) Workforce Management;

(iv) Quality Management;

(v) Request/Ticket Management;

(vi) Knowledge Management;

(vii) EDW (Reporting) and BI Services; and

(viii) Security Assurance;

(c) such Technology will, as of the Hand-Over Date, comply with the Specifications set out in **Schedule 26** (*SP Technology Capabilities*);

(d) to the extent any Software (including interfaces) need to be configured for the Service Provider to comply with the Specifications set out in **Schedule 26** (*SP Technology Capabilities*), the Service Provider will, to the extent required, develop and document more detailed functional requirements, non-functional requirements and use cases in accordance with **Schedule 3** (*Transition Methodology, Terms and Remedies*);

(e) taking into account such specifications, the Service Provider will prepare and deliver to the Province for its information Test Plans for the Technology Components on or before the March 31, 2017; and

(f) the Service Provider will review, prioritize and remediate Deficiencies in accordance with **Schedule 3** (*Transition Methodology, Terms and Remedies*), provided, however, that if the Province provides Operations Go Live Approval, all Deficiencies not Fixed as

of the Hand-Over Date will be identified in the Transition Deficiencies Log for the Initial Transition and will be Fixed by the Service Provider in the Stabilization Period in accordance with such Transition Deficiencies Log (and any applicable Performance Action Plan), unless the Parties otherwise mutually agree in writing.

For clarity, no Software development will be required as part of the Initial Transition.

20. **Transition Deficiencies Log.**

For purposes of the Operations Go Live Approval Criteria and defining some of the scope of the Stabilization after the Initial Transition, the Service Provider will provide to the Province a Transition Deficiencies Log for the Initial Transition covering all Transition Deficiencies (including all Deficiencies with respect to all Technology Components) on or before June 15, 2017. In accordance with **Schedule 3** (*Transition Methodology, Terms and Remedies*), the Province may request a Performance Action Plan with respect to any such Deficiencies that are Critical Deficiencies.

21. **Initial Transition Completion Criteria.**

The Parties agree that the Initial Transition Completion Criteria will include the following criteria:

(a) the Service Provider has delivered to the Province and the Province has reviewed the Service Provider's test (UAT) results with respect to the Technology Components;

(b) the Contact Centre, as described **Schedule 26** (*SP Technology Capabilities*), is available and functions in accordance with the applicable Specifications for such Technology without any Critical Deficiencies;

(c) Knowledge Management, as described **Schedule 26** (*SP Technology Capabilities*), is available and functions in accordance with the applicable Specifications for such Technology without any Critical Deficiencies;

(d) Email Interactions (Omni Channel), as described **Schedule 26** (*SP Technology Capabilities*), is available and functions in accordance with the applicable Specifications for such Technology without any Critical Deficiencies;

(e) Voice Interactions (Omni Channel), as described **Schedule 26** (*SP Technology Capabilities*), is available and functions in accordance with the applicable Specifications for such Technology without any Critical Deficiencies; and

(f) the necessary volume of Agents are assigned to provide the Contact Centre Services in accordance with the staffing level specified in the Economic Model or such other volume of Agents as otherwise mutually agreed by the Parties in writing.

22. **Stabilization Period Completion Criteria.**

The Parties agree that the Stabilization Period Completion Criteria for the Stabilization Period which immediately follows the Initial Transition will include the following criteria:

(a) all Transition Deficiencies are Fixed during the Stabilization Period, other than any Transition Deficiencies that the Parties mutually agree in writing do not require Fixing during the Stabilization Period; and

(b) the Service Provider is meeting or exceeding all of the Service Levels (including all Performance Standards for the Performance Measures).

23. **Province Dependencies.**

All of the Province Dependencies upon which the Service Provider is dependant to perform the Initial Transition Services and complete the Initial Transition are set out in the table below. For clarity, the provisions of Section 10 of **Schedule 3** (*Transition Methodology, Terms and Remedies*) will apply to the Province Dependencies set out in the table below.

Number	Province Dependency	Province Dependency Date
1.	The Province will, through Service BC's Service Delivery Team, respond to questions posed by the Service Provider for purposes of improving the accuracy of the Knowledge Base.	Within two Business Days from receipt of a question
2.	Not more than 15 days after the Effective Date, the Province will, subject to its confidentiality obligations to each of the Incumbent Service Providers, provide details of each of the Incumbent Service Provider's termination assistance plan in connection with the wind-down of its services	January 15, 2017
3.	The Province will, through Service BC's Service Delivery Team, facilitate meetings between the Service Provider and the Incumbent Service Providers in order to allow communications to take place that will allow the Service Provider to further understand the Incumbent Service Provider's termination assistance plan in connection with the wind-down of its services and also to facilitate collaboration between the Service Provider and the Incumbent Services Provider for cutover from the Incumbent Service Provider's services to the Services, as permitted	January 10, 2017
4.	The Province will, through Service BC's Service Delivery Team, assist with the resolution of any issues that arise between the Service Provider and any Incumbent Service Provider, as permitted	On an ongoing basis, by the latest date or time by which the Province Dependency must be completed by the Province so as to enable the Service Provider to fulfill its obligation that is dependent upon the Province Dependency in accordance with this Agreement
5.	The Province will make best efforts to	Effective Date

Number	Province Dependency	Province Dependency Date
	provide a copy of the Legacy Knowledge Base to the Service Provider (taking into account the Province is relying on the applicable Incumbent Service Provider to deliver to the Province the Legacy Knowledge Base)	
6.	The Province will provide the Service Provider with information through a URL (i.e. ftp://ftp.dir.gov.bc.ca) to enable the Service Provider to populate the Knowledge Base with listings of Province Ministries and programs, as well as addresses and contacts for Province Ministries.	January 4, 2017
7.	The Province will provide the Service Provider access to the ongoing government telephone directory listing through a URL (i.e. bcsc01.gov.bc.ca) for use by the Service Provider in delivering the Services.	January 4, 2017

ATTACHMENT A
(Schedule 2)

HIGH LEVEL INITIAL TRANSITION PLAN

Attached.

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Withheld pursuant to/removed as

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SCHEDULE 3

TRANSITION METHODOLOGY, TERMS AND REMEDIES

1. **Introduction.**

(a) This Schedule set out: (i) the methodology and processes for completion of any Transitions that are required from time to time during the Term, including related reporting requirements; and (ii) certain remedies of the Province with respect to Transitions.

(b) In addition to the Initial Transition, Transitions will be required to implement Service expansion initiatives and most continuous improvement ideas in accordance with **Schedule 5** (*Services*).

(c) Unless otherwise set out in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*) with respect to the Initial Transition or in a Change Order or Amendment with respect to any Transition, the methodologies, processes, terms, requirements and remedies set out in this Schedule will apply to each Transition. For clarity, the methodologies, process, requirements, remedies and terms of this Schedule will apply to the Initial Transition except to the extent otherwise provided in this Schedule or **Schedule 2** (*Initial Transition Plan and Baseline Requirements*).

2. **Definitions.**

Capitalized terms used and not otherwise defined in this Schedule will have the meaning set out **Schedule 1** (*Definitions*). For purposes of this Schedule, unless something in the subject matter is inconsistent therewith, following terms shall have the following meanings:

(a) "**Critical Deficiency**" means: (i) with respect to Technology, either: (A) a Deficiency resulting in a critical problem, which prevents the accomplishment of the required task of the Technology and would exhibit unacceptable impact on Citizens or operation or availability of the Technology, and with respect to which no workaround is available means; or (B) a Deficiency that results in a major problem with a required function of the Technology that: (I) seriously impacts the Technology's performance or limits its availability; and (II) has or would likely have a material impact on Citizens; or (ii) with respect to a Service, the Knowledge Base or Transition, any other Deficiency that has or would have or likely have an unacceptable or material impact on Citizens or operations of Service BC or any Province Ministry or Business Area.

(b) "**Deferred Deficiency**" means any Non-Critical Deficiency with respect to a Transition, whether identified through testing as part of a Transition or otherwise, that is not Fixed prior to the Transitioned Services Go Live Date and must be set out in a Transition Deficiencies Log for Fixing during the Stabilization Period that follows the Transition.

(c) "**Deficiency**" means: (i) with respect to Technology, a failure or other degradation of all or part of the Technology that results in the Technology not conforming to or performing in accordance with all or part of the Specifications for such Technology; (ii) any other defect or deficiency that has resulted in or will result in: (A) a Service not complying

with the Specifications for that Service or any other terms and conditions of this Agreement; (B) the performance of a Service not meeting or exceeding the Service Levels for such Service; (C) the Knowledge Base or any Article being inaccurate, unclear or incomplete; or (D) a Transition not meeting its Transition Completion Criteria or Initial Transition Completion Criteria, as applicable; or (iii) any additional defect or deficiency identified in a Transition Deficiencies Log or Performance Action Plan.

(d) **"Deployment Plan"** has the meaning given to it in Section 22(a).

(e) "**Detailed Transition Plan**" means, with respect to a Transition other than the Initial Transition, the Service Provider's refined and updated version of the High Level Transition Plan for that Transition which meets the applicable requirements set out in this Schedule.

(f) "**Detailed Transition Plan Status Report**" has the meaning given to it in Section 12(a).

(g) "**Go Live Date**" means, with respect to the Initial Transition, the Hand-Over Date or Operations Go Live Date as applicable in the context, or, with respect to any other Transition, the Transitioned Services Go Live Date.

(h) **"Go Live Milestone"** has the meaning given to it in Section 8(c).

(i) **"High Level Transition Plan"** means, with respect to a Transition other than the Initial Transition, the Service Provider's initial high-level transition plan for that Transition, which will be attached to the Change Order or Amendment under which the Transition is performed and will be replaced by a Detailed Transition Plan in accordance with this Schedule.

(j) "**HR Plan**" has the meaning set out in Section 15 below.

(k) "**HR Strategy**" has the meaning set out in Section 15 below.

(l) "**Milestone**" means any Deliverable, Service or other performance obligation of the Service Provider that must be achieved, performed or delivered by the Service Provider and is identified as a "**Milestone**" in **Schedule 3** (*Transition Methodology, Terms and Remedies*), a Transition Plan or a Change Order.

(m) "**Milestone Amount At Risk**" means, in respect of a Transition other than the Initial Transition, 10 percent (10%) of the aggregate Fees for the Transition.

(n) "**Milestone Credit**" means a credit against Fees payable by the Service Provider as a result of the Service Provider's failure to complete the Go Live Milestone for a Transition on or before the Milestone Deadline for that Milestone.

(o) "**New Knowledge Base Content**" has the meaning set out in Section 19 below.

(p) "**New Knowledge Base Development Plan**" has the meaning set out in Section 19 below.

(q) **"Non-Critical Deficiency"** means a Deficiency that is not a Critical Deficiency (including a Deficiency that affects the functionality of Technology (without halting any

functionality) or degrades the performance or appearance of the Technology, in each case in manner that would likely have minimal or no impact on Citizens).

(r) "**Project Charter**" has the meaning set out in Section 13 below.

(s) "**Province Approval Component**" means any Deliverable identified as a "**Province Approval Component**" in this Agreement, including this Schedule and any Change Order.

(t) "**Province Dependencies**" has the meaning set out in Section 10 below.

(u) "**Province Dependency Target Date**" means, with respect to a Province Dependency, the specific target date for the completion by the Province of such Province Dependency set out in **Schedule 3** (*Transition Methodology, Terms and Remedies*), a Change Order or the Transition Plan, or if no such specific target date is specified therein, the latest date or time by which the Province Dependency must be completed by the Province so as to enable the Service Provider to fulfil its obligation that is dependent upon the Province Dependency in accordance with this Agreement.

(v) "**Quality Management Plan**" has the meaning set out in Section 18 below.

(w) "**Recruitment Plan**" has the meaning set out in Section 15 below.

(x) "**Recruitment Strategy**" has the meaning set out in Section 15 below.

(y) "**Stabilization**" means: (i) with respect to Initial Transition, the stabilization of the Service Provider's performance of the Base Services based on the Transition Deficiencies Log for the Initial Transition, including the Services and obligations set out in Section 7 of **Schedule 2** (*Initial Transition Plan and Baseline Requirements*); and (ii) with respect to any other Transition, the stabilization of the Service Provider's performance of the Transitioned Services based on the Transition Deficiencies Log for the Transition. For clarity, Stabilization occurs after completion of a Transition.

(z) "**Stabilization Period**" means, with respect to a Transition, the period for completing Stabilization after the Transition has been completed, which commences on the Go Live Date and ends on the later of: (i) three months after the Go Live Date; and (ii) the Province Approving the completion of the Stabilization based on the Stabilization Period Completion Criteria for the Stabilization.

(aa) "**Stabilization Period Completion Criteria**" means the criteria for the Province Approving the completion of a Stabilization set out in the applicable Transition Deficiencies Log, including: (i) with respect to the Initial Transition, the criteria set out in Section 22 of **Schedule 2** (*Initial Transition Plan and Baseline Requirements*); and (ii) with respect to any other Transition, the criteria set out in Section 24(b) below.

(bb) "**Stakeholder Engagement Strategy**" has the meaning set out in Section 16 below.

(cc) "**Technology**" has the meaning given to it in Section 20 below.

(dd) "**Test Plan**" has the meaning set out in Section 20 below.

(ee) "**Test Strategy**" has the meaning set out in Section 20 below.

(ff) "**Training Plan**" has the meaning set out in Section 15 below.

(gg) "**Training Strategy**" has the meaning set out in Section 15 below.

(hh) "**Transition Communications Plan**" has the meaning set out in Section 16 below.

(ii) "**Transition Completion Criteria**" means, with respect to a Transition other than the Initial Transition, the criteria for Transitioned Services Go Live Approval set out in the Transition Success Report for that Transition.

(jj) "**Transition Deficiency**" means a Deficiency with respect to a Transition, including a Deferred Deficiency.

(kk) "**Transition Deficiencies Log**" means a list of Transition Deficiencies and their respective status, including the strategy and plan of the Service Provider to Fix such Deficiencies, as updated from time to time in accordance with this Agreement.

(ll) **"Transition Plan"** means, with respect to a Transition other than the Initial Transition, the High Level Transition Plan for that Transition until such time as such plan is replaced by a Detailed Transition Plan in accordance with this Schedule and thereafter the Detailed Transition Plan.

(mm) "**Transition Risk Register**" has the meaning set out in Section 14 below.

(nn) "**Transition Success Report**" means a report described in Section 12(b) of this Schedule.

(oo) "**Transitioned Services**" means, with respect to a Transition, the new or modified Services that are to be implemented and the Service Provider will perform as part of the Base Services from and after the applicable Go Live Date, including for a Transition other than the Initial Transition all related changes and supporting technology and other resources that are required to be implemented by the Go Live Date under the applicable Change Order.

(pp) "**Transitioned Services Go Live Date**" means, with respect to a Transition other than the Initial Transition, the date after Transitioned Services Go Live Approval has been provided upon which the Transition will be completed and the Service Provider will commence providing the applicable Transitioned Services.

(qq) "**Transitioned Services Go Live Approval**" means, with respect to a Transition, the Approval of the Province for the Service Provider to commence providing the Transitioned Services on the Transitioned Services Go Live Date based on the satisfaction of the Transition Completion Criteria.

3. High Level Transition Plan.

The Service Provider will, in consultation with the Province, develop a transition plan for each Transition, other than the Initial Transition, in accordance with the MAXIMUS Project Life Cycle (PLC) methodology a High Level Transition Plan in a form similar in content and detail to the High Level Initial Transition Plan.

4. **Detailed Transition Plan.**

(a) Upon commencement of the Transition, the Service Provider will, in consultation with the Province and based on the High Level Transition Plan, prepare the Detailed Transition Plan. Subject to Section 5 below, the Detailed Transition Plan will be materially and substantially consistent with the High Level Transition Plan and will comply with all of the requirements of this Schedule and any additional requirements set out in the applicable Change Order or Amendment (including any Milestones and associated Milestone Dates set out therein), but will have more detail than was available prior to the commencement of the Transition. Unless otherwise agreed by the Parties in writing, the High Level Transition Plan must include, without limitation, the following sub-plans, strategies and other documentation described in more detail below in this Schedule:

(i) a Transition Success Report which is subject to the Approval of the Province;

(ii) a Project Charter;

(iii) a Transition Risk Register;

(iv) as appropriate (in accordance with Section 15 below), a Recruitment Strategy or HR Strategy or both;

(v) as appropriate (in accordance with Section 15 below), a Recruitment Plan or HR Plan or both;

(vi) a Training Strategy;

(vii) a Training Plan;

(viii) a Stakeholder Engagement Strategy which is subject to the Approval of the Province;

(ix) a Transition Communications Plan which will be completed later than the other Approved components of the Detailed Transition Plan (as specified in Section 16 below) and is subject to the Approval of the Province;

(x) a Quality Management Plan;

(xi) New Knowledge Base Content Development Plan;

(xii) a Test Strategy; and

(xiii) a Deployment Plan.

(b) The Service Provider must deliver the completed Detailed Transition Plan to the Province within 30 days of the start of the Transition.

(c) Conditional upon the Detailed Transition Plan meeting the requirement for it set out in this Schedule, upon the Province receiving the Detailed Transition Plan and Approving the Transition Success Report and the Stakeholder Engagement Strategy (which both

form part of the Detailed Transition Plan), the High Level Transition Plan will be deemed superseded and replaced by the Detailed Transition Plan.

(d) Any change to the Detailed Transition Plan must be made in accordance with Section 5 below.

5. **Modifications to a Detailed Transition Plan.**

(a) Other than modifications described in Section 5(b), the Service Provider may modify the Detailed Transition Plan without the Approval of the Province, provided, however, that the Service Provider notifies the Province of the modification in advance through the Governance Process and promptly delivers the modified Detailed Transition Plan to the Province after any such modification is made.

(b) Any modifications to any of the following in a Detailed Transition Plan will require the joint Approval of the Parties through the Governance Process and, as applicable, through the Change Order Process:

(i) the Go Live Date;

(ii) any of aspect of the Detailed Transition Plan that if modified would result in non-compliance with the terms or requirements of this Schedule or the applicable Change Order or Amendment for the Transition;

(iii) any components of the Detailed Transition Plan that have been Approved by the Province in accordance with this Schedule; and

(iv) the scope of the applicable Transitioned Services to be provided by the Service Provider as of the Go Live Date.

6. **Transition Phases.**

Each Transition will have the following consecutive phases:

(a) Exploration – including project start up, gathering of high level requirements, defining scope of services, and defining desired outcomes;

(b) Planning – including gathering detailed requirements, developing performance requirements (if any additional are needed), completing any required Privacy Impact Assessment, completing any required Security, Risk, Threat Assessment, creating process design maps, designing technology components and designing any new Knowledge Base components;

(c) Development – including developing infrastructure; building the Knowledge Base, building training plans, creating build deployment plan, providing build reporting, testing, delivering training and developing a cutover checklist; and

(d) Deployment – executing the deployment plan, commencing steady state reporting, quality assurance and continuous improvement.

7. **Stabilization.**

(a) The Transition is followed by a phase of Stabilization.

(b) Two weeks before the scheduled deadline for Transitioned Services Go Live Approval a Transition Deficiencies Log for the Transition will be developed by the Service Provider.

(c) The Service Provider will deliver the first Transition Deficiencies Log to the Province in advance of the Milestone Deadline for the Province to provide Go Live Approval and will update the Transition Deficiencies Log at least weekly until all the Transition Deficiencies have been Fixed.

(d) As of the Transitioned Services Go Live Date, the Transition Deficiencies Log will: (i) identify all Non-Critical Deficiency identified during through testing as part of a Transition that are not Fixed prior to the Transitioned Services Go Live Date; (ii) identify all other Transition Deficiencies with respect to the Transition that exist as of the Transitioned Services Go Live Date; and (iii) inform the determination of the scope of the Stabilization.

(e) The Service Provider will add any new Deficiencies identified during the Stabilization Period to the Transition Deficiencies Log.

(f) In addition to the Transition Deficiencies Log and obligation of the Service Provider to prepare a Performance Action Plan under **Schedule 9** (*Performance Management Framework*), the Service Provider will, upon the Province's request, prepare and implement a Performance Action Plan with respect to any Critical Deficiency that exists or arises during the Stabilization Period.

8. **Milestones.**

(a) Each Transition will have mutually agreed Milestones and corresponding Milestone Deadlines which will be set out in applicable Change Order and the Transition Plan for the Transition.

(b) For each Transition other than the Initial Transition, provision by the Province of Transitioned Services Go Live Approval will be a Milestone and its Milestone Deadline will be a mutually agreed date at least two weeks prior to the Transitioned Services Go Live Date.

(c) For each Transition other than the Initial Transition, completion of the Transition will be a Milestone (a "**Go Live Milestone**") and its Milestone Deadline will be the scheduled Transitioned Services Go Live Date.

(d) The Fees with respect to the Transition will be payable on an instalment basis, conditional upon the completion of Milestones, as set in the Change Order for the Transition.

(e) If the Service Provider becomes aware that it will or that it is likely to fail to meet a Milestone Deadline for a Milestone, the Service Provider will immediately notify the Province and, if the implementation of a staff augmentation plan would likely be effective for the Service Provider to remediate the delay and bring the Transition back in

alignment with its schedule, implement a sufficient staff augmentation plan for such purposes. All additional resources necessary to mitigate the effect of the failure and to complete the Milestone, and any other affected Milestones, by their Milestone Deadlines, whether set out under the staff augmentation plan or otherwise (including the increased use of existing resources) will be provided at no additional cost to the Province.

9. **Province Approval Components.**

(a) The Parties may identify Province Approval Components that will require the Approval of the Province through a formal Approval process.

(b) The procedures, terms and conditions set out in **Attachment A** (*Province Approval Component Process*) to this Schedule will apply to the delivery, testing or review and Approval of any Province Approval Components for a Transition.

10. **Province Dependencies.**

(a) With respect to each Transition, the Service Provider will identify all activities and other responsibilities of the Province (including Other Service Providers) upon which the Service Provider is dependent upon to complete the Transition in accordance with this Agreement (including any Change Order entered into with respect to the Transition). Such responsibilities must be expressly identified as "Province Dependencies" in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*), a Change Order or a Transition Success Report Approved by the Province (such expressly identified responsibilities, "**Province Dependencies**").

(b) If the Province fails to complete a Province Dependency on or prior to the applicable Province Dependency Target Date, Section 6.14 (*Failure of Province to Perform Responsibilities*) of the main body of this Agreement will apply, except that:

(i) Section 6.14(e) of the main body of this Agreement will not apply; and

(ii) notwithstanding Section 6.14(c) of the main body of this Agreement, upon the Province's request, the applicable Go Live Date will not be adjusted to extent the Transition can be completed by such date by making other adjustments to the Transition.

11. **Remedies of the Province for Failure to Meet Scheduled Go Live Dates.**

Without limiting Province other rights or remedies under this Agreement, if the Service Provider fails to complete the Go Live Milestone for a Transition, other than the Initial Transition, on or before its Milestone Deadline, the Service Provider will, in order to compensate the Province in part for the reduced value of the Services provided by the Service Provided with respect to such Transition, pay or credit to the Province a Milestone Credit in the amount of equal to the Milestone Amount At Risk divided by 30 for each day after such Milestone Deadline that the Go Live Milestone for such Transition remains uncompleted, up to a maximum of 30 days of Milestone Credits.

12. **Transition Reporting.**

With respect to each Transition, the Service Provider will provide regular updates to the Province both through regular governance meetings, status reports against the Detailed Transition Plan and formal

updates to the Transition Success Report. The two main vehicles for reporting during a Transition will be the Detailed Transition Plan Status Report and the Transition Success Report, which are described below:

(a) Detailed Transition Plan Status Report. Every two weeks during the Transition, the Service Provider will provide to the Province a transition status report that will include information specific to the Transition and will include information on adherence to schedule, scope, quality, risks, issues, actions, decisions and changes ("**Detailed Transition Plan Status Report**"). Without limitation, the Detailed Transition Plan Status Report will report on the status of each deliverable included in the Detailed Transition Plan.

(b) Transition Success Report.

(i) Within 30 days of the commencement of the Transition, the Service Provider will prepare and deliver to the Province for its Approval a Transition Success Report for the Transition that will comply with the following requirements:

(A) The Transition Success Report will describe and provide explanations of each Deliverable to be provided as part of the Transition;

(B) The Transition Success Report will provide status of certain mutually agreed Deliverables to be provided as part of the Transition as follows:

(1) the status of each Deliverable will be represented as complete or incomplete, including information on any required Approvals; and

(2) for incomplete Deliverables, an indication of whether or not they are tracking to the schedule of the Detailed Transition Plan; and

(C) All items included in the Transition Success Report will have a measurable and material impact on the success of Transition.

(ii) The Transition Success Report will be an iterative document that can be used by all Governance Levels to report and review status of the Transition against the Detailed Transition Plan. Each subsequent version of the Transition Success Report will be updated by the Service Provider with a status update and narrative for each Deliverable or milestone.

(iii) The Service Provider will deliver an updated Transition Success Report monthly and at any such other times set out: (1) with respect to the Initial Transition, in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*); and (2) with respect to any other Transition, set out in the Change Order or Amendment for the Transition.

(iv) For clarity, while the Transition Success Report will be updated to reflect the progress of the Transition, no changes will be made to the requirements and criteria being reported on by the Transition Success Report (including the Transition Completion Criteria) without the Approval of the Province.

(v) The Parties will use the Transition Success Report as a tool to measure the success of the Transition, including the determination of whether rights and remedies of either Party have arisen with respect to the Transition, provided, however, that the Transition Success Report will not be the exclusive tool or exclusive source of information for such purposes.

(vi) The final Transition Success Report for a Transition requires the Approval of the Province.

13. **Project Charter.**

In collaboration with the Province, the Service Provider will develop a project charter for each Transition (a "**Project Charter**"), which will:

(a) form part of the Detailed Transition Plan;

(b) focus on how the Service Provider and the Province will work together during Transition;

(c) include information on any interactions with any incumbent service provider;

(d) define the success criteria for the Transition, including:

(i) with respect to the Initial Transition, Initial Transition Completion Criteria and Stabilization Period Completion Criteria; or

(ii) with respect to other Transitions, the Transition Completion Criteria;

(e) provide an over-arching framework for the Transition project; and

(f) include appropriate references to this Agreement.

14. **Risk Register.**

The Service Provider will, in consultation with the Province, develop a transition Risk Register for each Transition that includes appropriate mitigation strategies and accountabilities and will form part of the Detailed Transition Plan (a "**Transition Risk Register**"). The Service Provider must report on (in Detailed Transition Plan Success Reports) and update the Transition Risk Register for a Transition every two weeks during the Transition. To the extent the Province provides input on the Transition Risk Register, the Service Provider will update the Transition Risk Register based on the Province's input. Each Transition Risk Register will be integrated, to the extent appropriate, into the Agreement Risk Register maintained by the Service Provider and included in the Strategic Plan.

15. **Personnel.**

Each Transition will include all Personnel (and if applicable, External Personnel) human resources activities and training as are necessary to complete the Transition by the Go Live Date, including the following:

(a) Staffing. Recruitment activities to be performed by the Service Provider to support the hiring of sufficient Personnel (and if applicable, External Personnel) required to deliver all Services in accordance with this Agreement from and after the Go Live Date, which in the case of a Transition other than the Initial Transition, will be incremental Personnel

(and if applicable, External Personnel) necessary to deliver the Services as modified by the applicable Change Order and implemented as part of the Transition. To support such recruitment activities, the Service Provider will develop and deliver the following strategies and plans, as appropriate or necessary to complete the Transition:

(i) Recruitment or HR Strategy. The Service Provider will develop and deliver to the Province for its information, one or both of the following:

(A) a recruitment strategy which describes the Service Provider's strategy for hiring sufficient Personnel (and if applicable, External Personnel) to deliver the Transitioned Services from and after the Go Live Date and upon with the Recruitment Plan will be based (a "**Recruitment Strategy**"); and

(B) an HR strategy which describes the Service Provider's strategy for staffing, including any transfer of employees of the Province to the Service Provider to deliver the Transitioned Services, to deliver the Transitioned Services from and after the Go Live Date and upon with the HR Plan will be based (an "**HR Strategy**").

Such one or more strategies, as applicable, will form part of the Detailed Transition Plan.

(ii) Recruitment or HR Plan. The Service Provider will develop and deliver to the Province for its information, one or both of the following:

(A) a recruitment plan that provides very detailed information regarding the hiring of Personnel (and if applicable, External Personnel) to deliver the Transitioned Services from and after the Go Live Date, aligns with the strategic direction of the Recruitment Strategy and has dates and timelines that align with the Transition Plan (a "**Recruitment Plan**"); and

(B) an HR plan that provides very detailed information regarding the hiring of Personnel (and if applicable, External Personnel) (and if applicable, External Personnel) and any transfer of employees of the Province to the Service Provider to deliver the Transitioned Services from and after the Go Live Date, aligns with the strategic direction of the HR Strategy and has dates and timelines that align with the Transition Plan (an "**HR Plan**").

Such one or more plans will form part of the Detailed Transition Plan.

(b) Training. Training activities to be performed by the Service Provider to support the training of newly hired Personnel (and if applicable, External Personnel) that will enable them to deliver the Transitioned Services in an accurate, consistent and professional manner in accordance with this Agreement._ To support such training activities, the Service Provider will develop and deliver the following strategy and plan:

(i) Training Strategy. The Service Provider will develop and deliver to the Province for its information a training strategy that describes the Service Provider's

strategy for training the newly hired Personnel (and if applicable, External Personnel) to deliver the Transitioned Services in time for the Transitioned Services Go Live Date and upon which the Training Plan will be based (a "**Training Strategy**"). A Training Strategy will form part of the Detailed Transition Plan.

(ii) Training Plan. The Service Provider will develop and deliver to the Province for its information a training document that provides very detailed information regarding the training of Personnel (and if applicable, External Personnel) to deliver the Transitioned Services in time for the Transitioned Services Go Live Date, aligns with the strategic direction of the Training Strategy and has dates and timelines that align with the Transition Plan (a "**Training Plan**"). A Training Plan will form part of the Detailed Transition Plan.

16. **Communications.**

Each Transition will include all communication activities as are necessary to support the delivery of the Transitioned Services by ensuring all stakeholders are aware of any changes to the Services and that any public-facing communications materials receive the appropriate approvals prior to publication, including the following:

(a) Stakeholder Engagement Strategy. The Service Provider will, in collaboration with the Province, develop and deliver to the Province for its Approval a stakeholder engagement strategy that will: (i) identify establish stakeholders that have an interest in both the Transition or the applicable Services impacted by the Transition and that could be impacted by the Transition or could provide input with respect to the Transition; and (ii) organize and prioritize the stakeholders in order to inform the development of the Transition Communications Plan (a "**Stakeholder Engagement Strategy**"). A Stakeholder Engagement Strategy will form part of the Detailed Transition Plan.

(b) Transition Communications Plan. The Service Provider will, in collaboration with the Province, develop and deliver to the Province for its Approval within 60 days of the start of the Transition a communications plan that will: (i) provide a detailed plan on how and when the stakeholders identified in the Stakeholder Engagement Strategy will be communicated with; and (ii) include approval processes for the Province to approve public-facing (external to the Service Provider) communications (a "**Transition Communications Plan**"). A Transition Communications Plan will be deemed to form part of the Detailed Transition Plan upon its Approval by the Province.

The Service Provider will only communicate directly with Province Ministries if directed to do so by the Province and, if so directed, in accordance with the directions provided by the Province.

17. **Assistance with PIAs and STRAs.**

To the extent a Transition requires a Privacy Impact Assessment or Security Threat Risk Assessment or both, the Service Provider will provide all such assistance as the Province may require with respect to the preparation of such documents.

18. **Process.**

(a) Each Transition will include all activities with respect to the development and implementation of all processes as are necessary to complete the Transition by the Go Live Date.

(b) Such activities will include performance of all Transition activities related to quality management during the Transition that will support the delivery of the Transitioned Services in manner that is accurate and improves the Citizen experience. These activities will focus on the Knowledge Base and Personnel (and if applicable, External Personnel). To support the activities related to quality management, the Service Provider will develop and deliver to the Province for its information a quality management framework to: (i) provide a detailed plan for quality management with respect to the Transitioned Services (including to ensure Agents provide a quality Citizen experience); (ii) provide the criteria that will be used to evaluate Agents' performance through Channel monitoring, include links to the Knowledge Base update processes (since call monitoring may uncover areas for improvement within the Knowledge Base); (iii) be implemented by the Service Provider upon completion of the Transition; and (iv) maintained thereafter by the Service Provider (a "**Quality Management Plan**").

19. **Knowledge Base.**

As a key Deliverable of any Transition, other than the Initial Transition, the Service Provider will develop any new content for the Knowledge Base that will used by Agents to deliver the Transitioned Services (the "**New Knowledge Base Content**") in accordance with the following requirements:

(a) the Service Provider will follow the following processes in the development of the New Knowledge Base Content:

(i) The Service Provider will develop a plan that outlines its approach to development of the initial content for the Knowledge Base (the "**New Knowledge Base Content Development Plan**"). This plan will be provided to the Province for its information as part of the Detailed Transition Plan.

(ii) The Service Provider will report on the progress of the New Knowledge Base Content activities beginning after the New Knowledge Base Content Development Plan is delivered to the Province. The Service Provider will provide these updates as part of Detailed Transition Plan Status Reports.

(iii) The Service Provider will correct any Deficiencies in the New Knowledge Base Content that the Province identifies.

For clarity, despite any input provided by the Province (including Deficiencies in the New Knowledge Base identified by the Province), the Service Provider will be solely responsible for the accuracy of Knowledge Base, including the New Knowledge Base Content.

20. **Technology.**

Each Transition, will include all design, testing and deployment activities as are necessary to implement all Systems, Software, hardware, equipment, environments and other technology ("**Technology**"), including the deployment of any support and maintenance with respect to Technology, necessary to

support delivery of the Transitioned Services from and after the Go Live Date in accordance with this Agreement. Such activities will be performed in the following consecutive phases during the Transition which align with the phases of the Transition described in Section 4 above:

(a) Requirements (Exploration). To enable delivery of the Transitioned Services through the Technology described in **Schedule 26** (*SP Technology Capabilities*), a Change Order or Amendment, the Service Provider will gather the business requirements and provide them to the Province for its information. These requirements must comply with any Specifications for such Technology set out in this Agreement, including any Change Order with respect to the Transitioned Services. Following this step, the Service Provider will develop more detailed functional requirements, non-functional requirements and use cases.

(b) Design (Planning). To the extent required, the Service Provider will complete functional and technical specifications during the Design phase of the Transition. These Specifications will be designed to align with the requirements documented during the Requirements phase. These Specifications will then be used by the Service Provider to build the Technology solutions that support delivery of the Transitioned Services, but will not be made available to the Province for review.

(c) Build and Test (Development). During the Build and Test phase, the Technology solutions will be tested against the requirements gathered during the Requirements phase to ensure that the design and build have captured the key business requirements. The Province may participate in testing to the extent desired by the Province. The Service Provider will correct any Deficiencies in the Technology solutions identified by the Province. As part of the Build and Test phase, the Service Provider will perform the following activities, which may be separately performed for identified distinct components of the Technology solutions:

(i) *Test Strategy*. The Service Provider will develop and provide to the Province for its information an over-arching test strategy that will: (A) identify the testing options and describe the testing strategy for the Transition; (B) form the basis for creating the Test Plan; and (C) provide the basis for determining testing and resource requirement information for the planning of the Transition (a "**Test Strategy**"). A Test Strategy will form part of the Detailed Transition Plan.

(ii) *Test Plan*. The Service Provider will develop and provide to the Province for its information a test plan (a "**Test Plan**") that will: (A) provide the details on the testing approach proposed in the Test Strategy; (B) identify the specific business scenarios/ message sets, non-functional requirements and other Specifications that require testing; (C) identify the specific test resources required to accomplish the testing; (D) document how this testing will be performed; (E) identify the specific tools to be used to accommodate the testing; (F) identify new processes, techniques and tools to streamline testing for the Transition; (G) ensure that the Technology solutions will function as required by the business requirements; and (H) ensure that the Technology solutions will operate as expected under load and stress requirements identified for the Transition. A Test Plan will form part of the Detailed Transition Plan.

(iii) *Test Results Summaries*. The Service Provider will document the test results for the Technology solutions and provide them to the Province for its information.

(iv) *Deficiency Remediation*. The Service Provider will prepare and provide to the Province through the Governance Process a list of Deficiencies with respect the Technology solutions and all such Deficiencies will be added to the Transition Deficiencies Log and addressed in accordance with Section 21 below.

(d) Deployment. The Deployment phase is described in Section 22 below.

21. **Deficiency Remediation.**

(a) The Service Provider will log and track all Transition Deficiencies in the Transition Deficiencies Log for the Transition, and will discuss Transition Deficiencies with the Province through the Governance Process on an ongoing basis.

(b) Transition Deficiencies will be reviewed and prioritized through Governance Process.

(c) The Service Provider will Fix, at no additional cost, all Transition Deficiencies other than Deferred Deficiencies prior to the Go Live Date in accordance with the prioritization set through the Governance Process.

(d) The Service Provider will document any Deferred Deficiencies in the Transition Deficiencies Log and will resolve such Deficiencies, at no additional cost, during the Stabilization Period, in accordance with Section 7 above, or as otherwise agreed through Governance.

22. **Deployment.**

Each Transition, will include all deployment activities as are necessary to deploy into the Base Services all Personnel (and if applicable, External Personnel), processes and Technology required to enable the Service Provider to provide the Transitioned Services from and after the Go Live Date in accordance with this Agreement, including the following activities:

(a) Deployment Plan. The Service Provider will develop and deliver to the Province for its information a deployment plan (a "**Deployment Plan**") that: (i) will form part of the Detailed Transition Plan; (ii) will outline the specifics for the deployment of the Transitioned Services and supporting Technology; and (iii) is intended to be the single source of information required for planning and preparing the Personnel (and if applicable, External Personnel), processes and Technology required to enable the Transitioned Services. A Deployment Plan will form part of the Detailed Transition Plan.

(b) Commencement of Processes to Support the Transitioned Services. The Service Provider will commence all reporting, quality assurance and continuous improvement activities with respect to the Transitioned Services.

23. **Completion of a Transition.**

(a) The Initial Transition will be completed as specified in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*). Any other Transition will be completed upon commencement of the Go Live Date for such Transition after the Province has provided Transitioned Services Go Live Approval for such Transition and provided Approval of the finalized Transition Success Report.

(b) The Transition Completion Criteria for each Transition, other than the Initial Transition, will include the following:

(i) all Technology required for the Service Provider to provide the Transitioned Services in accordance with this Agreement as of the Go Live Date, including any new Technology components of the Knowledge Base:

(A) conforms to and performs in accordance with the applicable specifications and requirements for such Technology;

(B) to the extent applicable, is integrated with the processes, controls, interfaces and Systems of the Province, Other Service Providers and, if applicable, the Service Provider and, where applicable, is fully documented such that the anticipated end user can utilize the functionality of such Technology; and

(C) has no Deficiencies other than Deferred Deficiencies.

(ii) all components of the Detailed Transition Plan have been completed (unless otherwise agreed in writing by the Parties); and

(iii) the Transitioned Services (including supporting business processes and Deliverables (including the updated Knowledge Base), as tested during the Transition, have no Deficiencies other than Deferred Deficiencies.

24. **Stabilization.**

(a) The Stabilization Period for a Transition will commence upon the Go Live Date. During the Stabilization Period, the Services the Service Provider will perform will include:

(i) completion all components of the Transition deferred to completion during the Stabilization Period; and

(ii) resolving or correcting all Transition Deficiencies (including Fixing Deferred Deficiencies) with respect to the Transition in accordance with the Transition Deficiencies Log for the Transition (and any applicable Performance Action Plan).

(b) The Stabilization Period Completion Criteria for each Stabilization, other than for the Initial Transition, will include the following:

(i) all Transition Deficiencies are Fixed during the Stabilization Period, other than any Transition Deficiencies that the Parties mutually agree in writing do not require Fixing during the Stabilization Period; and

(ii) the Service Provider is meeting or exceeding all of the Service Levels related to the Transitioned Services (including all Performance Standards for the Performance Measures that measure performance of the Transitioned Services).

ATTACHMENT A
(Schedule 3)

PROVINCE APPROVAL COMPONENT PROCESS

The Approval process for Province Approval Components is as follows:

(a) Upon delivery of a Province Approval Component to the Province, the Province will have the period of time described as the "Approval Period" for the Province Approval Component in the Transition Plan (or such longer period as the Parties may mutually agree) to review and determine, in its discretion, whether or not the Province Approval Component conforms to the applicable Specifications.

(b) Promptly after or during such period, the Province may provide to the Service Provider a notice of any Deficiency with respect to the Province Approval Component. The Service Provider will promptly correct the Deficiency. After Service Provider has completed its corrective efforts, the Province will resume review and determination in accordance with paragraph (a) above to verify there are no Deficiencies with respect to the Province Approval Component (including those that have been corrected) and paragraph (a) above will apply to any such additional review and determination.

(c) The approval process for a Province Approval Component will be completed upon the Province Approval Component being Approved by the Province.

SCHEDULE 4

WORK-IN-PROGRESS PROJECTS

The following table lists the Work-in-Progress Projects and their status as to the Hand-Over Date.

NAME OF WORK-IN-PROGRESS PROJECT	STATUS AT HAND-OVER-DATE
Emails received after 2 pm on June 30, 2017. Email accounts listed in **Attachment B** to **Schedule 5** (*Services*)	Open
Unanswered voicemails left after June 30, 2017	Unanswered
Unresolved tickets as of end of day June 30, 2017, as a result of interactions through BCeID, OneStop and Address Change	Open
Web call back requests unanswered as of end of day June 30th, 2017	Unanswered
Complaints not resolved before the Hand-Over Date	Unresolved

The Work-in-Project Projects will be excluded from the measurements of Performance Measures, including the determination of achievement of Performance Standards and Performance Goals, under **Schedule 9** (*Performance Management Framework*).

SCHEDULE 5

SERVICES

1. Introduction.

This Schedule describes certain services, functions, processes and responsibilities that form part of the Services to be provided by the Service Provider to the Province pursuant to the Agreement.

2. Definitions.

Unless otherwise defined in **Schedule 1** *(Definitions)* to the Agreement, capitalized terms used in this Schedule will have the following meanings:

(a) **"Agent"** means Personnel and External Personnel who are employed at the Contact Centre and who respond to Requests.

(b) **"Base Services"** means the Contact Centre Services, Continuous Improvement Services, Knowledge Base Services and such other Services deemed to be incorporated into the Base Services in accordance with the Agreement.

(c) **"Business Case"** has the meaning given to it in Section 4(a).

(d) **"Business Development Services"** has the meaning given to it in Section 7.2(b).

(e) **"Business Hours"** has the meaning given to it in Section 3.1(b).

(f) **"Channel"** means the channels through which the Service Provider receives Request from Citizens, including:

(i) telephone, via the telephone numbers set out in **Attachment A** (*Telephone Numbers*) to this Schedule, as updated from time to time by the Province through the Change Order Process;

(ii) email, via the email addresses set out in **Attachment B** (*Email Addresses*) to this Schedule, as updated from time to time by the Province through the Change Order Process;

(iii) interactive voice response (touch tone tree with up to two levels);

(iv) SMS (text message over cellular) incoming and outgoing via SMS to the Service BC telephone numbers set out in **Attachment A** (*Telephone Numbers*) to this Schedule, as updated from time to time by the Province through the Change Order Process;

(v) web call-back, consisting of Requests submitted by Citizens through a web-enabled form which requires the Service Provider to respond via telephone;

(vi) web chat, consisting of Requests submitted by Citizens through a System that allows users to communicate in real time using easily accessible web interfaces; and

(vii) such other channels as may be requested by the Province from time to time.

(g) **"Complex Services"** means any Request from a Citizen that requires specialized Province Ministry or Province Business Area expertise and:

(i) requires policy or legislative interpretation;

(ii) requires the Service Provider perform a function or activity that is not repeatable or requires the carrying out of a process that cannot be designed with a predefined and predictable outcome;

(iii) requires the resolution of a complaint or dispute;

(iv) involves a matter of life or death, physical safety or physical or mental well-being;

(v) requires discretionary decision making; or

(vi) is deemed by the Province to constitute "Complex Services", through identification by the Province in writing.

(h) **"Contact Centre"** means the centralized customer service facility established by the Service Provider to provide the Contact Centre Services, comprised of the technology set out in **Schedule 26** (*SP Technology Capabilities*), the Agents and other software, hardware, equipment and supplies required or necessary to perform the Contact Centre Services.

(i) **"Contact Centre Services"** means the Informational Services and the Transactional Services.

(j) **"Continuous Improvement Services"** means services that identify gaps and opportunities relating to the Contact Centre Services to:

(i) improve the quality, accuracy and efficiency of the Contact Centre Services;

(ii) streamline and improve the Citizen experience in respect of the Contact Centre Services; and

(iii) provide recommendations and solutions to the Province to address identified gaps and opportunities relating to the Contact Centre Services,

and includes those activities described in Section 4.

(k) **"Informational Services"** means the provision of information to Citizens in response to Requests received via a Channel, including those activities described in Section 3.2.

(l) **"Knowledge Base Services"** means the services described in Section 5.

(m) **"Knowledge Base"** means the centralized repository of information and data, as updated from time to time, relating to the Service Provider's provision of the Contact Centre Services, including but not limited to lists of frequently asked questions, question and answer lists, specific scripted responses to Citizen inquiries and requests, email response templates, details regarding British Columbian government programs and services, workflows, and government organization names, contact details and website URLs. The required capabilities for the System for the Knowledge Base are set out in **Schedule 26** (*SP Technology Capabilities*).

(n) **"Professional Services"** means consulting services that are related to the Contact Centre Services and/or the Solution, but do not include Base Services, or services, functions, responsibilities or tasks that are inherent, necessary or customarily provided, or that are reasonably required for the proper performance and provision of the Services, as the same may be improved, changed or transformed as contemplated under the Agreement.

(o) **"Province Business Area"** means, in the context of the particular Informational Services or Transactional Services being sought or requested by a Citizen, the appropriate Business Area.

(p) **"Referral"** has the meaning given to it in **Schedule 9** (*Performance Management Framework*).

(q) **"Request"** has the meaning given to it in **Schedule 9** (*Performance Management Framework*).

(r) **"Resolved"** has the meaning given to it in **Schedule 9** (*Performance Management Framework*).

(s) **"Transactional Services"** means services that:

(i) include the activities described in Section 3.3;

(ii) can be clearly articulated in a business process map; and

(iii) are standardized and repeatable processes following established guidelines,

and may include, by way of example, self-service and assisted transactions to facilitate the provision of goods, services or specialized information to Citizens. Transactional Services may be expanded as contemplated in Section 7.1.

(t) **"Transfer"** has the meaning given to it in **Schedule 9** (*Performance Management Framework*).

3. Contact Centre Services.

3.1 General.

(a) General Requirements for Contact Centre Services.

The Service Provider will perform the Contact Centre Services in respect of all Requests received through the Channels. For clarity, the performance of the Contact Centre Services comprises all activities necessary and required to ensure a Citizen Request is Resolved, including:

(i) monitoring the Channels and responding to all Requests received from Citizens in a courteous and timely manner in accordance with the requirements of the Agreement;

(ii) reviewing the Knowledge Base for the appropriate response to Requests;

(iii) accessing and reviewing publicly available British Columbian government websites to determine and provide the appropriate response to Requests;

(iv) where the Request is received via telephone, conducting follow-up calls to provide a response to the Citizen where a response is not provided during initial contact; and

(v) the Referral or Transfer of Requests to the appropriate resources at a Province Ministry or Province Business Area where the nature of the Request requires information not available to the Service Provider or constitutes Complex Services.

For clarity, the Service Provider will:

(vi) use, and will ensure that its Agents use, best efforts to provide Citizens with a response or a Referral or Transfer of the Request to the appropriate Province Ministry or Province Business Area;

(vii) not, and will ensure that its Agents do not, inform Citizens that they have dialed the wrong number or state that there is no response or escalation available for their Request; and

(viii) not, and will ensure that its Agents do not, attempt to resolve Complex Services, but rather handle them in accordance with the workflows set forth in the Knowledge Base.

(b) Hours for Contact Centre Services.

(i) The Service Provider will provide the Contact Centre Services to answer Requests from Citizens between 7:30 am and 5:00 PM Pacific Time (the "**Business Hours**") on Business Days.

(ii) Where the Service Provider receives a Request outside of Business Hours, the Service Provider will respond to such Request as soon as reasonably practicable the following Business Day, and the Citizen will also receive the immediate following response, as applicable:

(A) for telephone calls, the Citizen will: (1) receive an automated voice message stating that the Citizen's Request has been received and is outside of Business Hours, and that it will be responded to as soon as reasonably practicable the following Business Day; and (2) have the option to leave a voice message or to enter a phone number to get a call back the following Business Day;

(B) for SMS (text message over cellular), the Citizen will receive an automated SMS text message stating that the Citizen's Request has been received and is outside of Business Hours, and that it will be responded to as soon as reasonably practicable the following Business Day; and

(C) for emails, the Citizen will receive an automated reply email stating that the Citizen's Request has been received and is outside of Business Hours, and that it will be responded to as soon as reasonably practicable the following Business Day.

(c) Ownership of Channel Contact Details.

As between the Province and the Service Provider, the Province will be the sole and exclusive owner of all telephone numbers, email addresses and all other contact details provided to the Service Provider to enable the receipt of Requests from Citizens via the Channels.

(d) Contact Centre Agents.

(i) The Service Provider will ensure that Agents respond to all Requests by identifying themselves as "Service BC", including over the telephone, in email signature blocks and in other communications with Citizens.

(ii) Without limiting the Service Provider's obligations with respect to its Personnel under the main body of the Agreement, the Service Provider:

(A) is responsible for the recruitment and initial and ongoing training of Agents (including to integrate new government programs and services into the Contact Centre Services through targeted training including, without limitation, with respect to the Province Policies such as, for purposes of example only, Privacy Obligations); and

(B) will ensure that its Agents are competent and equipped with skills that equal or exceed accepted industry standards of top tier providers of services that are the same as or similar to the Contact Centre Services.

(iii) Where necessary to perform the Contact Centre Services in accordance with this Schedule, the Service Provider will, and will ensure that Agents will, document Citizen Interactions and responses provided.

(e) Technology.

The Service Provider will implement, support and maintain the technology capabilities described in **Schedule 26** (*SP Technology Capabilities*) to support the provision of the Contact Centre Services.

(f) Disaster Recovery and Business Continuity.

The Service Provider will create, maintain and update documentation regarding business continuity and disaster recovery requirements, including the Business Continuity Plan, as detailed in **Schedule 21** (*Business Continuity*).

3.2 Informational Services.

The Service Provider will perform the following Informational Services:

(a) General Informational Services.

(i) The Service Provider will provide Citizen-focused general Informational Services in respect of Requests received via the Channels, including the following:

(A) general information regarding current, upcoming and past British Columbian government programs and services available to Citizens, including by assisting Citizens with understanding the content, benefits and availability of specific programs or services and providing general information regarding access to and eligibility criteria for such programs and services;

(B) providing Citizens with general information regarding British Columbian government announcements and sources of more detailed information regarding such announcements, including British Columbian government websites;

(C) where applicable, informing Citizens of the availability of self-service options to access British Columbian government programs and services and how the Citizen may access these options; and

(D) upon request by a Citizen, providing the Citizen with the publicly available contact details (including phone number, email address and mailing address) for any British Columbian government organization or employee and, in the case of contact via telephone, Transferring the Citizen to the requested government organization or employee. For clarity, Service Provider will not provide any Citizen with contact details

that are marked in the Knowledge Base for internal use, not to be provided to Citizens.

(ii) The Service Provider will use, and will ensure that its Agents use, best efforts to provide accurate and relevant responses to Requests received via the Channels using the following resources:

(A) the Knowledge Base;

(B) publicly available British Columbia public sector websites, including but not limited to Province Ministry and Province Business Area websites and government news and press release repositories;

(C) information provided to the Service Provider by a Province Ministry or a Province Business Area. Without limiting the foregoing, and subject to change at the Province's discretion, as of the Effective Date such information will include that provided by the following data feeds: (1) government phone directory listings (bcsc01.gov.bc.ca); and (2) a feed to populate the listing of Province Ministries, programs, addresses and contacts for those Province Ministries (ftp://ftp.dir.gov.bc.ca); and

(D) such other sources as directed or approved by the Province from time to time.

For clarity, the Service Provider will not, and will ensure that its Agents do not, provide a response to a Citizen consisting of information derived from a mainstream or commercial media website or other website or information source not approved or vetted a Province Ministry or a Province Business Area.

(iii) Where the Service Provider is unable to provide an accurate or relevant response to a Request using the resources set out in Section 3.2(a)(ii), including where the Request requires Province Ministry or Province Business Area knowledge that is not publicly available or access to applications or systems not provided to the Service Provider, the Service Provider will for all Channels provide a Referral or a Transfer to the Province Ministry or Province Business Area best able to provide an accurate and relevant response to the Citizen, including by:

(A) providing the Citizen with the name and publically available contact details (including telephone number, email address, mailing address and website URL) of the applicable Province Ministry or Province Business Area;

(B) Transferring the Request to the applicable Province Ministry or Province Business Area contact; or

(C) in respect of specific Requests, and only if necessary, recording the name and contact details of the Citizen and providing the Citizen with an appropriate response.

For clarity, the Service Provider will not, when making a Transfer or a Referral of the Request, provide any Personal Information to the applicable Province Ministry or Province Business Area.

(iv) Subject to Section 3.2(a)(v), the Service Provider will not be required to provide the Informational Services described in this Section 3.2(a) in respect of government programs and services provided by:

(A) government organizations outside of Canada;

(B) the Canadian federal government; and

(C) other Canadian provinces and territories.

(v) The Service Provider will provide the Informational Services in respect of Requests relating to government programs and services provided by the Canadian federal government, other Canadian provinces and territories and Broader Public Sector Entities where:

(A) such information is provided to the Service Provider by the Province, including as part of the information and data provided to the Service Provider during Initial Transition to create the Knowledge Base;

(B) where the Province considers there is sufficient demand for such information, based on the volume of Requests received by the Service Provider in respect of that information and such other factors as the Province considers appropriate, in which case the Service Provider will update the Knowledge Base in accordance with Section 5; or

(C) where otherwise requested by the Province in its sole discretion.

(b) Specific Informational Services.

The Service Provider will perform the following specific Informational Services for the Province. For clarity, the specific Informational Services described in this Section 3.2(b) relate to specific British Columbian government programs and services in respect of which the Service Provider provides an additional level of support or guidance to the Citizen (in addition to the general Informational Services) or where a Province Ministry or Province Business Area provides the Service Provider with additional information which is not otherwise available through the publicly available resources described in Section 3.2(a)(ii).

(i) *BC Registries and Online Services*.

(A) Upon request by a Citizen, the Service Provider will provide the Citizen with processing times in respect of the BC Registries and Online Services programs and services described in **Attachment C** *(BC Registries and Online Services Processing Times*) to this Schedule, as updated from time to time by the Province.

(B) Where no processing time information is available in respect of a Citizen's Request is available, or where the available processing time information is not current, the Service Provider will escalate the Citizen's request to the Province or BC Registries and Online Services in accordance with the workflows set forth in the Knowledge Base.

(ii) *OneStop BC Business Registry*.

The Service Provider will provide support via the Channels to facilitate Citizen access to and use of the OneStop BC Business Registry website (available at www.bcbusinessregistry.ca as at the Effective Date). Without limiting the generality of the foregoing, the Service Provider will:

(A) provide Citizens with website navigation assistance and guidance to complete online forms and access other features and information available on the website;

(B) provide detailed information regarding the programs and services available through the website; and

(C) provide support as otherwise requested by the Province in its sole discretion**.**

Where the Service Provider is unable to provide the required assistance to a Citizen in respect of the OneStop BC Business Registry website, the Service Provider will:

(D) in real time (when possible), escalate or Transfer the Citizen's request to the Province or BC Registries and Online Services in accordance with the workflows set forth in the Knowledge Base, together with as many details as possible to assist the resolution of the Request; and

(E) where such real time escalation or Transfer does not resolve the Request, the Service Provider will use its ticketing system to record the name and contact details of the Citizen and such other details regarding the Citizen's Request as the Service Provider considers appropriate in the circumstances and, upon obtaining sufficient information to provide Resolution (including in consultation with the Province or the BC Registries helpdesk), contact the Citizen and proceed to Resolve the Citizen's Request. In relation to the foregoing, the Service Provider will request or record only such Personal Information of the Citizen as is necessary to Resolve the Request.

(iii) *BCeID*.

The Service Provider will provide support via the Channels to facilitate Citizen access to and use of the BCeID website (available at www.bceid.ca as at the Effective Date). Without limiting the generality of the foregoing, the Service Provider will:

(A) provide Citizens with website navigation assistance and guidance to complete online forms and applications available on the website;

(B) provide detailed information regarding the programs and services available through the website, including the programs and services that require registration with BCeID for access; and

(C) provide support as otherwise requested by the Province in its sole discretion.

Where the Service Provider is unable to provide the required assistance to a Citizen in respect of the BCeID website, the Service Provider will:

(D) in real time (when possible) escalate or Transfer the Citizen's Request to the Province or BCeID helpdesk in accordance with the workflows set forth in the Knowledge Base, together with as many details as possible to assist the Resolution of the Request; and

(E) where such real time escalation or Transfer does not Resolve the Request, the Service Provider will use its ticketing system to record the name and contact details of the Citizen and such other details regarding the Citizen's Request as the Service Provider considers appropriate in the circumstances and, upon obtaining sufficient information to provide Resolution (including in consultation with the Province or the BCeID helpdesk), contact the Citizen and proceed to Resolve the Citizen's Request. In relation to the foregoing, the Service Provider will request or record only such Personal Information of the Citizen as is necessary to Resolve the Request.

3.3 Transactional Services.

The Service Provider will perform the following Transactional Services for the Province.

(a) Address Change BC.

(i) Upon receipt of a Request for assistance to change an address using the Address Change BC website (available at www.addresschange.gov.bc.ca as at the Effective Date), the Service Provider will, and will ensure that each Agent will:

(A) follow the workflow described on the website to successfully change the applicable address; and

(B) provide the Citizen with a confirmation or other transaction identification number upon completion of the change of address.

(ii) Notwithstanding the foregoing, the Service Provider will, and will ensure that Agents will, only input Citizen information (including Personal Information) into the Address Change BC website and do not record such Citizen information (including Personal Information) in the Service Provider's Systems.

(iii) Where any change of address requires the Citizen to disclose an account password (including, by way of example, the password to the Citizen's BCeID account), the Service Provider will not proceed with the change of address on the Citizen's behalf and will:

(A) use best efforts to guide the Citizen through the online process to change the applicable address without use of the account password; or

(B) if such guidance is not possible, refer the Citizen to the applicable/respective Province Business Area that needs to receive the updated address.

If the Service Provider is unable to effect the change of the Citizen's address via the website, then the Service Provider will:

(C) in real time (when possible) escalate or Transfer the Citizen's Request to the Province or BC Registries helpdesk in accordance with the workflows set forth in the Knowledge Base, together with as many details as possible to assist the Resolution of the Request; and

(D) where such real time escalation or Transfer does not Resolve the Request, the Service Provider will use its ticketing system to record the name and contact details of the Citizen and such other details regarding the Citizen's Request as are necessary and appropriate in the circumstances and, upon obtaining sufficient information to provide Resolution (including in consultation with the Province or the BC Registries helpdesk), contact the Citizen and proceed to resolve the Citizen's Request. In relation to the foregoing, the Service Provider will request or record only such Personal Information of the Citizen as is necessary to Resolve the Request.

(b) Website Assistance and Troubleshooting.

(i) Upon receipt of a Request in respect of the OneStop BC Business Registry or BCeID website to resolve a technical or other issue preventing the Citizen from accessing the website, the Service Provider will, and will ensure that each Agent will:

(A) use best efforts to assist the Citizen to Resolve the Request in accordance with the business process maps described in the Knowledge Base (as updated from time to time) using the information available on the website and in the Knowledge Base; and

(B) if applicable, provide the Citizen with a confirmation or other transaction identification number upon resolution of the Request.

Without limiting the scope of portal assistance and troubleshooting, specific examples of portal assistance and troubleshooting include: (1) password change assistance; (2) account creation and registration assistance; (3) basic web browser troubleshooting; and (4) daily monitoring and resubmission of any failed session transmissions.

(ii) Where any Request requires the Citizen to disclose an account password (including, by way of example, the password to the Citizen's BCeID account), the Service Provider will not proceed with the change of address on the Citizen's behalf and will:

(A) use best efforts to resolve the Request without use of the account password; or

(B) if such guidance is not possible, refer the Citizen to the the OneStop BC Business Registry or BCeID helpdesk (as applicable).

4. Continuous Improvement Services

The Service Provider will provide Continuous Improvement Services as follows:

(a) Opportunity Identification.

(i) Throughout the Term, the Service Provider will analyze and identify Improvement Ideas for the Contact Centre Services, including but not limited to operational, service and cost efficiencies, reduction of Citizen effort to access government programs and services, adoption of new Channels and implementing self-serve options for access to government programs and services improvements.

(ii) The Service Provider will deliver a report to the Province in accordance with **Schedule 15** (*Reporting Requirements*) describing the Improvement Ideas available to improve the Contact Centre Services.

(iii) The Improvement Ideas described in the report will be discussed at the first scheduled meeting of the Operations and Expansion Team meeting following delivery of the Report. Following that meeting, the Province may by written notice to the Service Provider:

(A) require the Service Provider to prepare a business case in respect of one or more of the Improvement Ideas (each a "**Business Case**"); or

(B) require the Service Provider to implement one or more Improvement Ideas where the Province, in its sole discretion, considers that such Improvement Ideas can be implemented without a business case, including where the opportunity is a routine operational change or can be performed at no additional cost to the Province.

(b) Business Case Development and Implementation.

(i) Within 15 Business Days of the date of a notice provided in accordance with Section 4(a)(iii), or such other period as agreed by the Parties, the Service Provider will at no additional cost to the Province prepare a Business Case in respect of each Improvement Ideas identified in the Province's notice. Each Business Case will contain, at minimum:

(A) a detailed description of the Improvement Idea;

(B) an estimate of the effort and order of magnitude cost to implement the Improvement Idea, if applicable;

(C) the estimated timeline to implement the Improvement Idea;

(D) the anticipated benefit of the Improvement Idea to Citizens and any cost efficiencies to the Province associated with implementation of the Improvement Idea;

(E) a Risk Register; and

(F) a recommendation as to whether or not a pilot project is required to properly assess the Improvement Idea.

(ii) In respect of each Business Case, the Province will either:

(A) approve the implementation of the Improvement Idea, in which case the Parties will implement the Improvement Idea as a Transition in accordance with **Schedule 3** (*Transition Methodology, Terms and Remedies*), as deemed appropriate and applicable by the Parties through the Governance Process, provided that any Improvement Idea which relates to solely operational improvements or changes will be implemented as part of the ongoing provision of the Base Services at no additional cost to the Province, provided that, where the Service Provider will incur additional material cost to implement the Improvement Idea, Service Provider may submit a Change Request in respect thereof. The Parties acknowledge and agree that operational improvements and other

changes not implemented as a Transition will, upon implementation, will be deemed to form part of the Base Services;

(B) Approve the Improvement Idea as a pilot project; or

(C) reject the Improvement Idea, in which case the Service Provider will, at the direction of the Province: (1) place the Improvement Idea on a high level list of Improvement Ideas for consideration by the Parties at a later date; or (2) take no further action in respect of the Improvement Idea.

(iii) The Parties will, in accordance with the governance structure set forth in **Schedule 12** (*Governance*) to the Agreement, review the list of Improvement Ideas to review the prioritization, business rationale and feasibility of the listed Improvement Ideas and, if requested by the Province, the Service Provider will prepare an updated Business Case for an Improvement Idea, in which case the procedures set out in Sections 4(b)(i) and (ii) will apply to such updated Business Case.

(c) Pilot Projects.

(i) If the Province approves a pilot project in accordance with Section 4(b)(ii)(B), the Service Provider will, within 10 Business Days of such approval or such other period agreed to by the Parties, deliver to the Province a project plan for the pilot project setting out:

(A) the scope of the pilot project, including the steps required to implement the piloted project;

(B) the proposed duration of the pilot project;

(C) the content and frequency of any reports to be provided to the Province in respect of the piloted project;

(D) the cost to the Province to implement the pilot project (if any); and

(E) such further information reasonably requested by the Province.

(ii) Upon approval of the project plan by the Province, the Service Provider will implement the pilot project in accordance with the project plan through the Change Order Process.

(iii) Within 10 Business Days of the completion on any pilot project (or such other period specified by the Province), the Service Provider will, deliver to the Province a final report setting out the results of the pilot project, including:

(A) the effectiveness of the pilot project;

(B) any efficiencies realized as a result of implementation of the pilot project;

(C) any benefits of the pilot project to Citizens;

(D) any cost savings to the Province; and.

(E) the cost of full implementation of the piloted opportunity and the timelines for such implementation.

(iv) Upon receipt of the final report, the Province may:

(A) extend the pilot project for any period requested by the Province, in which case the Service Provider will provide to the Province a project plan for the extended pilot project in accordance with the process described in Section 4(c)(i);

(B) Approve the implementation of the piloted opportunity (in part or in whole), in which case the procedure set out in Section 4(b)(ii)(A) will apply;

(C) recommend changes to the piloted opportunity and, when such changes have been effected, approve the implementation of the piloted opportunity (in part of in whole), in which case the procedure set out in Section 4(b)(ii)(A) will apply; or

(D) reject the piloted opportunity, in which case the procedure set out in Section 4(b)(ii)(C) will apply.

5. Knowledge Base Services.

(a) The Service Provider will be responsible throughout the Term for preparing, maintaining and, where applicable, generating all content in the Knowledge Base, including in respect of information or data that is furnished directly or indirectly by the Province, or that the Service Provider itself generates in order to be able to perform the Contact Centre Services in accordance with the Agreement. For clarity, despite content and input provided by the Province, the Service Provider will be solely responsible for the accuracy of the Knowledge Base.

(b) With respect to its obligations in Section 5(a) above, within 30 days from the Hand-Over Date, and then at least every 100 days thereafter during the Term, the Service Provider will:

(i) identify gaps in and update the Knowledge Base;

(ii) update the Knowledge Base to include information and new or revised workflows and response templates relating to:

(A) new British Columbian government programs and services;

(B) any changes to existing British Columbian government programs and services; and

(C) any specific Informational Services or Transactional Services added to the Contact Centre Services in accordance with the Agreement;

(iii) ensure that each Transactional Service is described in the Knowledge Base, including workflows;

(iv) include information provided by the Province from time to time (including specific scripts produced pursuant to Section 6(c) below, and public service announcements) in the Knowledge Base; and

(v) update Referral contact details.

(c) Where the Service Provider identifies or becomes aware of a gap or other deficiency in the Knowledge Base that it is unable to address through publicly available public sector websites, the Service Provider will liaise with the applicable Province Ministry or Province Business Area and use best efforts to obtain information that will address the gap or deficiency.

6. Quality Assurance.

(a) The Service Provider is responsible for ensuring the Contact Centre Services are performed in a courteous, accurate and consistent manner, including to ensure that:

(i) the information provided to Citizens in respect of the Informational Services accurately reflects the current information made available by the applicable Province Ministry or Province Business Area; and

(ii) the Transactional Services provided to Citizens are performed accurately and in accordance with the business process map developed for the applicable Transactional Service.

(b) The Service Provider will, in support of and to facilitate reporting in respect of its obligations set out in Section 6(a), establish and perform quality assurance procedures to ensure the accuracy, consistency and quality of the Contact Centre Services, including with respect to Citizen Interactions. The Service Provider will designate an adequate number of quality assurance Personnel to assess, review and report on the delivery of the Contact Centre Services and overall Citizen Interaction, information and response quality. Without limiting the generality of the foregoing, the Service Provider's quality assurance program will, at minimum:

(i) review the live and recorded Citizen Interactions via the Channels to ensure that, as applicable, the requirements for the Contact Centre Services are met, all procedures set out in the Knowledge Base are followed (where applicable), the response to the Citizen provides the appropriate Resolution to the Request with up-to-date, accurate information, and the Citizen Interaction is accurately recorded;

(ii) review the overall strengths and weaknesses of Agents and administer continuous development coaching to improve the delivery of the Contact Centre Services;

(iii) review the overall business execution to detect ineffective and inefficient policies, processes or operational issues and provide the Province, through the Continuous Improvement Process, with suggestions on how they can be addressed;

(iv) analyze the overall Citizen experience and Service delivery model to determine opportunities that need to be addressed through on-going training of the Agents, or that need to become part of the Continuous Improvement process; and

(v) attend a monthly meeting with members of the Province to review and score for quality the live and recorded Citizen Interactions, with the objective of aligning quality assurance standards and the quality of the delivery of the Contact Centre Services.

(c) The Service Provider will at Province's request, create standardized scripts and response templates to answer certain Requests received via the Channels, which scripts must be approved by the Province in its sole discretion. The Service Provider shall incorporate such scripts and templates into the Knowledge Base to provide specific responses to Requests in respect of the government generally or a specific provincial program.

(d) The Service Provider will as part of the Base Services (and included in the Base Fees), in support of and to facilitate reporting in respect of its obligations set out in Section 6(a), in respect of each Citizen Request, provide the Citizen with the opportunity to complete a Citizen satisfaction questionnaire contemplated in Section 10 of **Schedule 9** (*Performance Management Framework*), and aggregate the results into Citizen satisfaction survey reports for the Province. The Province may, using the Change Order Process, make a Change Request that the Service Provider perform additional survey activities as specified by the Province, and the Service Provider will perform such activities as set out in the applicable Change Order.

7. Service Expansion.

7.1 Service Expansion Process.

(a) At any time, the Province may by written request require the Service Provider to expand the provision of one or more of the Informational Services (other than the general Information Services described in Section 3.2(a), which the Service Provider is required to provide in respect of all government programs and services) and Transactional Services to one or more Province Ministries specified in the written request (a "**Service Expansion**").

(b) Upon receipt of the written request by the Service Provider, the Parties will negotiate the Service Expansion to the specified potential Client Ministries in accordance with the Change Process. Upon execution of a Change Order in respect of the Service Expansion, the Service Provider will implement the Service as a Transition in accordance with **Schedule 3** (*Transition Methodology, Terms and Remedies*).

(c) For clarity, examples of the types of services that may be included in the Service Expansion include:

(i) services to facilitate the access, submission and updating of information specific to Requests;

(ii) payment processing services;

(iii) services to issue licenses or permits;

(iv) document processing services;

(v) application processing services;

(vi) services to provide updates on application status;

(vii) services to update existing applications;

(viii) services relating to navigating and troubleshooting the use of government applications and portals; and

(ix) services to schedule appointments.

7.2 Service Expansion Business Development.

(a) The Province may, from time to time, notify the Service Provider of potential Service Expansion opportunities. Upon receipt of such information, the Service Provider will, in consultation with the Province, update the Annual Operating Plan and Strategic Plan to identify and prioritize the identified Service Expansion opportunities.

(b) The Service Provider will, at no additional charge to the Province, perform the following functions, activities and services:

(i) provide Province Ministries with access to the Service Provider's facilities for the purpose of tours and demonstrations of the Contact Centre Services and the SP Technology Platforms (subject to the representatives of each Province Ministry complying with the Service Provider's reasonable security and privacy requirements);

(ii) prepare and provide to the Province and, at the request of the Province, the applicable Province Ministry a Service Expansion assessment reporting, including at minimum:

(A) a detailed description of the scope of the proposed Service Expansion;

(B) a description of the high level business and technical requirements to perform the expanded Services;

(C) identification of the business rational and need for the Service Expansion;

(D) an order-of-magnitude cost estimate for the Service Expansion;

(E) an estimate of the timeline to implement the Service Expansion;

(F) a Risk Register; and

(G) such other details reasonably requested by the Province in respect of the Service Expansion;

(iii) offer input and feedback on the Province Ministry's strategic plan and business case, identifying opportunities and benefits of Service Expansion for the Province Ministry and, if applicable, the Province; and

(iv) upon request, provide demonstrations of potential technology that may be utilized to meet the Province Ministry needs,

(collectively, the "**Business Development Services**").

For clarity, the Province will initiate the initial contact with all Province Ministries with respect to any Service Expansion and the Service Provider will not contact any Province Ministry or Province Business Area or perform any Business Development Services without the prior written approval of the Province.

(c) At the request of Province, Service Provider will provide to the Province, at no additional charge, 240 hours of effort per month dedicated to the provision of the Business Development Services by specialized Personnel not assigned to the performance of the Base Services. The Service Provider may be reimbursed for any hours actually spent performing Business Development Services within a month that exceed the 240 hour threshold, provided that any such hours are pre-approved by the Province in writing. Where the Service Provider or the Province request hours in excess of the 240 hour threshold for the performance of Business Development Services in any month, the Service Provider will provide the Province with a report setting out a description of the proposed Business Development Services and the number of additional hours to be approved by the Province. The Province, at its sole discretion, may require that particular Business Development Services hours be performed in the following month and be applied as against the subsequent month's 240 hours of free Business Development Services. Where Business Development Services in excess of the 240 hour threshold are approved by the Province in a given month, the Service Provider will perform the Business Development Services set out in the report and may charge the Province in accordance with the time and materials rates set out in **Schedule 17** (*Fees and Economic Model*). In the event that less than the available 240 hours of free Business Development Services are used in a particular month, the Parties agree that the Province will not receive any credits for such unused hours or be able to otherwise apply such unused hours against any subsequent months' 240 hours of free Business Development Services Nothing in this Section prevents the Service Provider from exceeding the 240 hour threshold without the approval of the Province, provided that the Business Development Services performed by the Service Provider have been previously approved by the Province and the Service Provider is not entitled to any fees, charges or other compensation or reimbursement for such additional hours of effort.

(d) The Service Provider will perform the Business Development Services in accordance with instructions provided by the Province and will provide the Province with reports regarding Business Development Services in accordance with **Schedule 15** (*Reporting Requirements*).

8. Other Services.

8.1 Technology Platform Extension.

(a) The Service Provider will provide access to the SP Technology Platforms, as detailed in **Schedule 26** (*SP Technology Capabilities*), in whole or in part, to any Province Ministry or Province Business Area in order to provide continuity in dealing with a Request. For clarity, this would be in the context of existing Services being provided by the Service Provider, for example, for a Province Ministry to use the Service Provider's ticketing system to provide follow up services after a Transfer or Referral of the Request by the Service Provider. Certain pricing principles will respect to the Fees for such access are set forth in **Schedule 17** (*Fees and Economic Model*).

(b) The Province may, using the Change Order Process, make a Change Request that the Service Provider provide Technology Platform Extension Services to allow Province Ministries or Province Business Areas to utilize the Service Software in their own business processes. For clarity, this would be outside of the context of existing Services being provided by the Service Provider. Service Provider would provide these tools on a stand-alone basis.

(c) Any Technology Platform Extension Services will follow the Service Expansion process as detailed above, and the expanded services will be subject to the terms and conditions of the Agreement as "Services".

8.2 Internal BC Government Services.

The Province may, using the Change Order Process, make a Change Request that the Service Provider provide the Contact Centre Services to certain Province Business Areas as specified by the Province. Any such expansion of these Services will follow the Service Expansion process as detailed above.

8.3 Professional Services.

The Province may, using the Change Order Process, make a Change Request that the Service Provider provide Professional Services to the Province. Professional Services will be implemented in accordance with the Change Order Process, and the Professional Services Fees will be calculated in accordance with Section 8(d) of **Schedule 17** (*Fees and Economic Model*).

9. Out of Scope Services.

9.1 Complex Services.

The provision of Complex Services is out of scope of the Contact Centre Services.

Notwithstanding the foregoing, where the Service Provider receives a Citizen inquiry or request that constitutes a Complex Services, the Service Provider will handle such request in accordance with the workflows set forth in the Knowledge Base.

9.2 In-Person Services.

The performance of the Contact Centre Services in-person, whether through an established Province service location or otherwise, is out of scope of the Contact Centre Services.

ATTACHMENT A
(Schedule 5)

TELEPHONE NUMBERS

Line of Business	Internal/ PRI	Local	Toll Free	Victoria
Service BC	s.15	604 660 2421	1 800 663 7867	250 387 6121
Address Change BC		604 775 0011	1 866 775 0011	
BCeID Help Desk		604 660 2355	1 888 356 2741	
Special Project #1*				
Special Project #2*		604 775 2800 604 775 2142 604 775 0583	1 800 668 2800 1 800 775 2142	
Special Project #3*				
Special Project #4*		604 775 0665		
Special Project #5*		604 775 0550		
* Special Project numbers may be used by Province with respect to ad hoc projects				

ATTACHMENT B
(Schedule 5)

EMAIL ADDRESSES

Service BC	ServiceBC@gov.bc.ca
BCeID Helpdesk	BCeID@gov.bc.ca s.15

ATTACHMENT C
(Schedule 5)

BC REGISTRIES AND ONLINE SERVICES PROCESSING TIMES

GENERAL

General Examining

Extra Provincial Registrations (Form 33) LLC'S Only

Extra Provincial Registrations (Form 33) LLC'S Only

Extra Provincial Changes of Name (Form 37)

Extra Provincial Amalgamations (Form 34)

System Amendments / Corrections (Form 47)

Applications for Continuations Out (Form 45)

BC / Society Voluntary Dissolutions (Forms 17, 27, 42)

Outputs – Certificates

BC and Society Restorations

SOCIETIES WORK PROCESSES

Society and Cooperative Incorporations

Society and Cooperative Amendments / Resolutions

Annual Report Filings (Express and Regular)

NAMES, PARTNERSHIPS, SEARCH AND MANUFACTURED AND PERSONAL PROPERTY REGISTRY WORK PROCESSES

Data Entry

Names Examining

Proprietorships / Partnerships

Limited Partnerships

Limited Liability Partnerships

Search

Manufactured Home Registry

Personal Property Registry

Transition Requests Changes of Name (Form 37)

Extra Provincial Amalgamations (Form 34)

System Amendments / Corrections (Form 47)

Applications for Continuations Out (Form 45)

BC / Society Voluntary Dissolutions (Forms 17, 27, 42)

Outputs – Certificates

BC and Society Restorations

SOCIETIES WORK PROCESSES

Society and Cooperative Incorporations

Society and Cooperative Amendments / Resolutions

Annual Report Filings (Express and Regular)

NAMES, PARTNERSHIPS, SEARCH AND MANUFACTURED AND PERSONAL PROPERTY REGISTRY WORK PROCESSES

Data Entry

Names Examining

Proprietorships / Partnerships

Limited Partnerships

Limited Liability Partnerships

Search

Manufactured Home Registry

Personal Property Registry

Transition Requests

SCHEDULE 6

LANGUAGE AND ACCESSIBILITY OF SERVICES

This Schedule sets out a general description of the language and accessibility requirements for the Services to be provided by the Service Provider under this Agreement.

The Service Provider shall:

(a) ensure all client service Personnel used in the delivery of Services under this Agreement will be fluent in English and may directly provide Services in other languages on an "as-available" basis through recruitment of Personnel with additional language skills;

(b) engage a professional interpreter service provider as a Subcontractor to be available during the Business Hours to provide language services and these language services will meet the following requirements:

(i) Through this Service, client service Personnel must be able to provide immediate language services by dialing a toll-free number, making a language request and being connected (conferenced in) with an interpreter provided by such Subcontractor so that the call can be completed with interpreter services; and

(ii) The professional interpreter provided will support services in at least 110 languages, including all of the top ten languages in British Columbia as defined by the most recently published BC Stats Census data published on the BC Stats website from time to time (provided, however, that Chinese n.o.s. will only be available if the professional interpreter service provider has Chinese n.o.s. available);

(c) provide accessibility communications (TeleTYpe (TTY) and Telecommunications for the Deaf (TDD)) during the Business Hours;

(d) collaborate with the Province in supporting the BC Government's Strategy on Accessibility 2024, which as of the Effective Date, is published on the Government of BC website at the following URL: http://www2.gov.bc.ca/gov/content/governments/about-the-bc-government/accessibility/accessibility-2024; and

(e) ensure all Services described in this Schedule are available during Business Hours for telephone calls.

SCHEDULE 7

SERVICE LOCATIONS

Contact Centre Operations
MAXIMUS Canada
712 / 716 Yates Street
Victoria, BC
V8W 1L4

West Data Centre
c/o Cologix, Inc.
200 - 1050 West Pender Street
Vancouver, BC
V6E 3S7

East Data Centre
c/o Sungard Availability Services
110 - 55 City Center Drive
Mississauga, ON
L5B 1M3

SCHEDULE 8

EMPLOYEE TRANSFER TERMS

As specified in Article 3 (*Scope, Expansion of Services and Onboarding*) of the main body of this Agreement and **Schedule 5** (*Services*), the Parties anticipate that in future this Agreement may be amended to include services currently being provided by employees of the Province. The transfer of any such services provided by employees who are members of the BC Government and Service Employees' Union (BCGEU) must comply with the BC *Labour Relations Code* and the applicable provisions of the collective agreement between the Province and the BCGEU in effect at the time of the transfer, and will be subject to the prior negotiation by the Parties of transfer offers by the Service Provider and the terms of the transfer for both unionized and excluded employees performing such services.

SCHEDULE 9

PERFORMANCE MANAGEMENT FRAMEWORK

1. Purpose.

This Schedule documents the performance management framework for this Agreement (the "**Performance Management Framework**"), and is the foundation upon which the Province and the Service Provider will measure and assess the effectiveness of the Service Provider's performance of the Services, including for purposes of being able to address any Service performance deficiencies in a timely manner.

2. Definitions.

Capitalized terms used and not otherwise defined in this Schedule will have the meaning set out **Schedule 1** (*Definitions*). For purposes of this Schedule, unless something in the subject matter is inconsistent therewith, following terms shall have the following meanings:

(a) "**% of Performance Objectives Achieved**" means the percentage of Performance Standards achieved for a Contract Year based on achievement Performance Standards and calculated using the following formula:

$$\%\ \text{of Performance Objectives Achieved} = \frac{\text{total number of Performance Standards achieved for all Measurement Points in a Contract Year}}{\text{total number of Measurement Points in a Contract Year}} \times 100\%$$

(b) "**Annual Event Scorecard**" has the meaning given to it in Section 9.3.3 (*Event Scorecard Weighting*).

(c) "**Average Annual CSAT Score**" means the average CSAT Score for a Contract Year (i.e. Average Annual CSAT Score = (sum of CSAT Scores measured for a Contract Year) / (total number of CSAT Scores measured for that same Contract Year)).

(d) "**Average Annual FCR Rate for Transactional Services**" means the average FCR Rate for Transaction Services for a Contract Year (i.e. Average Annual FCR Rate for Transaction Services = (sum of FCR Rates for Transactional Services measured for a Contract Year) / (total number of FCR Rates for Transactional Services measured for that same Contract Year)).

(e) "**Average Operational Survey Score"** means, with respect to a category of personnel of the Service Provider or a Province Ministry, the average score of all Operational Surveys for a Contract Year.

(f) "**Call**" means a telephone call to the Contact Centre.

(g) "**Citizen Interaction**" means a single instance of communication between a Citizen and an Agent involving a dialogue or exchange of information that has a clear conclusion

(e.g. Resolution, Transfer or Referral), which for the following Channels is further defined below:

(i) for a telephone call, means a single continuous telephone call between a Citizen and an Agent, including time on hold (but excluding time spent in queue and wrap time);

(ii) for email, means an exchange of emails between a Citizen and an Agent with respect to the same issue or inquiry; and

(iii) for SMS, means an exchange of SMS messages between a Citizen and an Agent with respect to the same issue or inquiry,

provided, however, that if, as a part of any such instance of communication, a Citizen makes a new inquiry or requests assistance with a new Request, a new Citizen Interaction with respect to such new inquiry or request will be deemed to have commenced and all communications that are specific to such new inquiry or request and do not involve the original inquiry or request will be deemed excluded from the original instance of communication.

(h) "**Complaint**" means a complaint made by a Citizen with respect to a Citizen Interaction, an Agent or other aspect of the delivery of Services by the Service Provider.

(i) "**Compliant Speed of Answer Call**" means a Call that has a Speed of Answer of 60 seconds or less.

(j) "**Compliant Speed of Answer Rate**" means the percentage of Calls in an applicable month that are Compliant Speed of Answer Calls (i.e. Compliance Speed of Answer Rate = (total number of Compliant Speed of Answer Calls during the applicable month) / (total number of Calls in such month) x 100).

(k) "**Compliant TPR Citizen Interaction**" means a Citizen Interaction that is Resolved within the specified period of the Ticket for the Citizen Interaction being opened.

(l) "**Contact**" means a Citizen contacting the Contact Centre through a Channel.

(m) "**CSAT Score**" means an overall Citizens satisfaction score determined based on both questionnaires completed by Citizens and the applicable methodology described in **Attachment D** (*Legacy Form of Questionnaire and Related Methodology*) or **Attachment E** (*New CSAT Form of Questionnaire and Related Methodology*), as applicable, as reported in a Legacy CSAT Report or CSAT Report, as applicable.

(n) "**Deal Scorecard**" has the meaning given to it in Section 9.4 (*Deal Scorecard*).

(o) "**Down Vote**" means, with respect to an Article, a notation made by an Agent in the Knowledge Base with respect the Article that indicates the Article is not useful.

(p) "**Estimated Initiative Value**" means, with respect to a Planned Service Expansion Initiative, the estimated dollar value of such Planned Service Expansion Initiative set out in the assessment for such Planned Service Expansion Initiative developed in accordance with **Schedule 5** (*Services*).

(q) "**Expansion Pipeline**" means the list of Planned Service Expansion Initiatives maintained by the Service Provider as part of the Base Services.

(r) "**Expansion Pipeline Balance**" means the average Pipeline Value of all Planned Service Expansion Initiatives, calculated by dividing the sum of all Pipeline Values by the Expansion Pipeline Size.

(s) "**Expansion Pipeline Size**" means, at the applicable time, the total number of Planned Service Expansion Initiatives.

(t) "**Event**" means an event outside the day-to-day provision of the Services and related operations, including:

(i) business development initiatives;

(ii) Service Expansion to a Province Ministry;

(iii) Initial Transition Services;

(iv) Services with respect to a Transition other than the Initial Transition;

(v) Termination Services; and

(vi) negotiations between the Parties with respect to any matter,

designated as an "Event" by the Province, in its sole discretion.

(u) "**Event Survey**" means a survey in the form attached to this Schedule as **Attachment C** (*Form of Event Survey*).

(v) "**Excusable Event**" has the meaning given to it in Section 14 (*Excusable Events*) below.

(w) "**Excess Spread**" has the meaning given to it in **Schedule 17** (*Fees and Economic Model*).

(x) "**FCR Rate**" means the percentage of Citizen Interactions in the applicable month or Contract Quarter that are Resolved on a FCR basis.

(y) "**First Contact Resolution**" or "**FCR**" means, with respect to a Citizen Interaction, Resolution of the Request that is subject of the Citizen Interaction without requiring the Citizen to transition to a different Channel, receive a Referral from an Agent, be Transferred by an Agent, or receive a follow-up Citizen Interaction by an Agent.

(z) "**Gross Margin % Earned**" has the meaning given to it in Section 15 (*Performance Fees*) below.

(aa) "**Initial Transition Fees**" means the Base Fees for the Initial Transition Services, as set out in **Schedule 17** (*Fees and Economic Model*).

(bb) **"Legacy CSAT Report"** means the report for reporting CSAT Score under the methodology set out in **Attachment D** (*Legacy CSAT Form of Questionnaire and Related Methodology*) to this Schedule.

(cc) "**Measurement Point**" means, with respect to a Performance Measure and Performance Standard, means a measurement of such Performance Measure to determine whether its associated Performance Standard has been achieved in accordance with the measurement frequency of such Performance Measure set out in the table in **Attachment A** (*Performance Objectives and Measures*) of this Schedule. For clarity, a Performance Measure that is measured monthly throughout a Contract Year has 12 Measurement Points in that Contract Year.

(dd) "**New CSAT Measurement Methodology**" has the meaning given to it in Section 10 (*Citizen Satisfaction Questionnaires and Related Methodology*).

(ee) "**New CSAT Report**" means the report for reporting CSAT Score under the New CSAT Measurement Methodology.

(ff) "**Operational Survey**" means a survey in a form set out in **Attachment B** (*Forms of Operational Survey*) attached to this Schedule.

(gg) "**Performance Action Plan**" means an action plan developed by the Service Provider in response to one or more Performance Failures or Transition Deficiencies that: (i) sets out a log of such Performance Failures or Transition Deficiencies; (ii) sets out the Service Provider's strategy and plan for Fixing, correcting or otherwise addressing to the satisfaction of the Province such failures or deficiencies, including identifying specific tasks and timelines (including an expected date for completing the remediation activities); and (iii) incorporates feedback from the Province on the quality issues arising from such failure or deficiencies and any suggestions the Province has for correcting or otherwise addressing such failures or deficiencies.

(hh) "**Performance Fee**" has the meaning given to it in Section 15 (*Performance Fees*) below.

(ii) "**Performance Goal**" means, with respect to a Performance Measure, a targeted level of performance measured by the Performance Measure, which in the case of the Performance Measures set out in the table in **Attachment A** (*Performance Objectives and Measures*) attached to this Schedule is identified for each Performance Measure in the column with the heading "Performance Goal" in that table.

(jj) "**Performance Measure**" means any Service Levels identified as a "Performance Measure" in the table in **Attachment A** (*Performance Objectives and Measures*) attached to this Schedule and which has a Performance Standard or Performance Goal or both.

(kk) "**Performance Management Framework**" has the meaning given to it in Section 1 above.

(ll) "**Performance Objective**" means an objective, the achievement of which is measured by a Performance Measure, set out under the heading "Performance Measure" in the table in **Attachment A** (*Performance Objectives and Measures*) attached to this Schedule.

(mm) "**Performance Standard**" means, with respect to a Performance Measure, a minimum level or standard of performance measured by the Performance Measure, which in the case of the Performance Measures set out in the table in **Attachment A** (*Performance Objectives and Measures*) attached to this Schedule is identified for each Performance Measure in the column with the heading "Performance Standard" in that table.

(nn) "**Pipeline Value**" means, with respect to a Planned Service Expansion Initiative, the dollar amount calculated by multiplying the Estimated Initiative Value for such Planned Service Expansion Initiative by the Probability of Success for such Planned Service Expansion Initiative.

(oo) "**Planned Service Expansion Initiative**" means a Service expansion opportunity with respect to which Business Development Services have been or will be performed by the Service Provider in accordance with **Schedule 5** (*Services*).

(pp) "**Predictive Key Performance Indicators**" means the key performance indicators (KPIs) set out in Section 6 (*Predictive Key Performance Indicators*) below.

(qq) "**Probability of Success**" means, with respect to a Planned Service Expansion Initiative, the probability of success of such Planned Service Expansion Initiative expressed as a percentage, as mutually agreed and documented by the Province and the Service Provider as part of the preparation of the Annual Operating Plan and the Strategic Plan (with the Service Provider first proposing the probability of success percentage to the Province based on factors such as engagement of the applicable Province Ministry and success of previous similar Planned Service Expansion Initiatives).

(rr) "**Real Time Channels**" means any Channels that allow users to communicate in real time, including telephone and web chat.

(ss) **"Referral**" means, with respect to a Citizen Interaction, an Agent provides a Citizen with contact information for the particular Province Ministry or Business Area that would be able to assist the Citizen with his or her Request. For clarity, a Referral is required for all Requests for Complex Services.

(tt) **"Request"** means an inquiry or request by a Citizen through a Citizen Interaction for information or assistance with a Transaction or a complaint, including an inquiry or request by a Citizen that requires Complex Services.

(uu) "**Resolved**" means, with respect to a Request that is subject of a Citizen Interaction, the Request of the Citizen is resolved, corrected or eliminated so that no further Citizen Interactions (e.g. a call-back) are required in connection with same Request, provided, however, that if there is nothing further the Service Provider can do within the scope of the Services to resolve, correct or eliminate the Request, the Referral or the Transfer of the Request will be deemed to resolve the Request for the purpose of this defined term. For clarity, neither the transition of a Citizen Interaction to a different Channel nor transfer of a Citizen Interaction to a different Agent or Business Area is resolution, correction or elimination of a Request. "**Resolution**" will have a corresponding similar meaning to the foregoing.

(vv) "**Service Offering Availability**" means the percentage of the total scope of Base Services described in **Schedule A** (*Services*) that is performed by the Service Provider or are otherwise available to be performed on the applicable date, provided, however, that this percentage will be deemed to be zero if either Operations Go Live Approval is not provided prior to July 1, 2017 or the Stabilization Period (after the Initial Transition) does not end on September 30, 2017.

(ww) "**SP Quality Assurance Process**" means the Service Provider's obligations with respect to quality assurance set out **Schedule 5** (*Services*), including the implementation of the Service Provider's quality assurance program described in **Schedule 5** (*Services*).

(xx) "**Speed of Answer**" means, for each Call, the elapsed time in seconds between a Citizen reaching an Agent queue and the moment that such Call is answered by an Agent.

(yy) "**Survey Group**" means a group identified under the heading "Survey Group" in the table in Section 9.1.1 (*Survey Groups and Sub-components*).

(zz) "**Telephony System**" means the telephony System used for the Contact Centre to receive telephone calls from Citizens.

(aaa) "**Telephony System Actual Uptime**" means the number of hours (expressed to two decimal places) that the Telephony System is actually available during the applicable month or Contract Quarter, calculated by subtracting Telephony System Downtime from Telephony System Scheduled Uptime.

(bbb) "**Telephony System Downtime**" means the measurement of time in hours (expressed to two decimal places) that the Telephone System is not available to receive telephone calls from Citizens, excluding downtime due to scheduled maintenance as mutually agreed by the Parties and outages due to a Force Majeure, during Operating Hours in the applicable month or Contract Quarter.

(ccc) **"Telephony System Scheduled Uptime"** means the total Operating Hours in an applicable month or Contract Quarter (expressed in hours to two decimal places), excluding any time in hours (expressed to two decimal places) that the Telephony System is not available to receive telephone call from Citizens due to scheduled maintenance as mutually agreed by the Parties.

(ddd) "**Telephony System Uptime Percentage**" means Telephony System Actual Uptime expressed as a percentage of the Telephony System Scheduled Uptime (i.e. Telephony System Availability % = ((Telephony System Actual Uptime)/(Telephony System Scheduled Uptime)) x 100).

(eee) "**Ticket**" a ticket for a Request issued through the ticket management system used by the Parties to log, track, manage and report on Requests.

(fff) "**Total Problem Resolution**" or "**TPR**" means, with respect to a Request, the Request is Resolved.

(ggg) "**TPR Rate**" means the percentage of Citizen Interactions in the applicable month that are Compliant TPR Citizen Interactions within a specified period.

(hhh) "**Transfer**" means, with respect to a Citizen Interaction, the transfer of the Citizen Interaction to a different Business Area of the Ministry or Agent.

(iii) "**Transaction**" means a transaction within the scope of the Transactional Services.

(jjj) "**Transition Deficiency**" has the meaning given to it in **Schedule 3** (*Transition Methodology, Terms and Remedies*).

(kkk) "**Vendor Scorecard**" has the meaning given to it in Section 9.5 (*Vendor Scorecard*)

3. Overview.

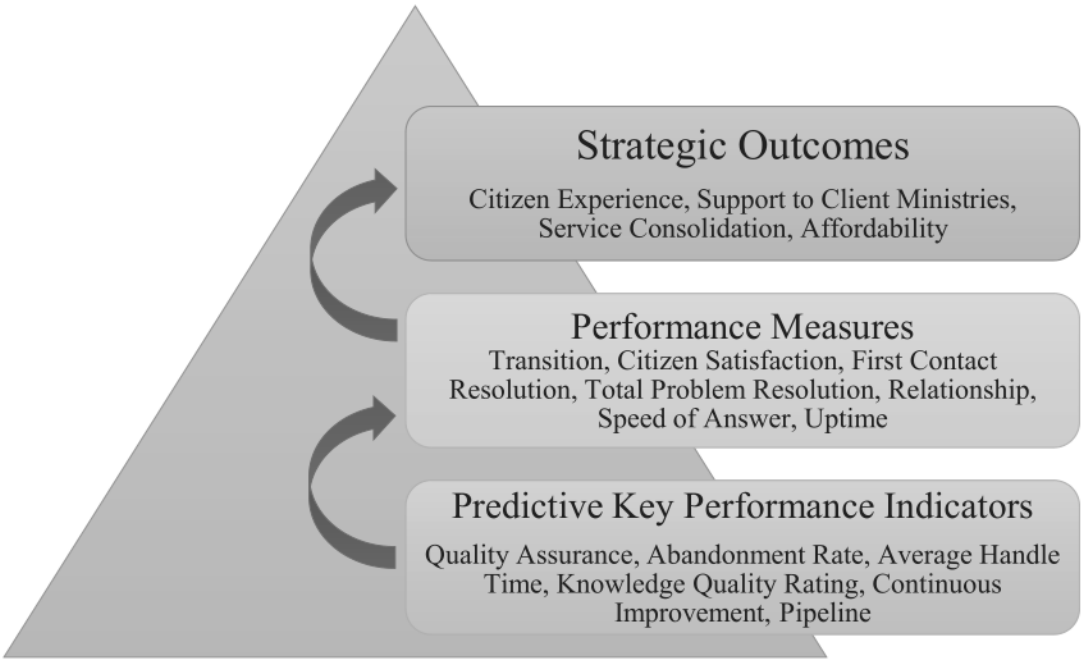
The Performance Management Framework is focused on measuring performance metrics that will inform the Province's ability to assess whether or not Strategic Outcomes are being achieved, as well as indicators of the health of the relationship between the Province and the Service Provider under this Agreement. Where appropriate, performance requirements have been set, the measurement of certain performance measures has been time-bound, and accountabilities to the Service Provider have been allocated in areas that are within its control.

The Strategic Outcomes are the high level results that the Province requires, and the Service Provider commits to achieving, through the provision of the Services and execution of this Agreement. The Strategic Outcomes align with the Shared Vision, Guiding Principles and Objectives and are intended to allow some flexibility for the Service Provider to determine how best to accomplish them. The Strategic Outcomes define, at high level, success for this Agreement.

The Performance Measures are the Service Levels that are intended to be consistent with standard industry practices and support the Province's ability to ascertain whether the Strategic Outcomes (set out Section 4 of this Schedule) are being achieved. Each Performance Measure has a Performance Standard that the Service Provider is obligated to meet and collectively the Performance Standards establish the minimum standards of performance of the Services required by the Province for the Strategic Outcomes.

The Predictive Key Performance Indicators are metrics that the Service Provider will measure and monitor as part of the Base Services to provide additional information to assess the Service Provider's performance of the Services, but with respect to which the Service Provider is not obligated to meet specific levels, standards or requirements. The Predictive Key Performance Indicators are intended to, among other things, provide information that helps explain the Service Provider's achievement or non-achievement, as the case may be, of the Performance Standards (and if applicable, Performance Goals) of each of the Performance Measures. The Service Provider will report on the Predictive Key Performance Indicators in accordance with **Schedule 15** (*Reporting Requirements*).

The chart below illustrates the relationship between the Strategic Outcomes, the Performance Measures and the Predictive Key Performance Indicators.



4. Strategic Outcomes.

The Strategic Outcomes define at high level the overall results to be achieved through the Service Provider's performance of the Services and execution of this Agreement. The Strategic Outcomes under this Agreement are as follows:

(a) Strategic Outcome #1: Positive Citizen Experience. Improve Citizen experiences and satisfaction when interacting with the Province. Improved experiences for Citizens and increased Citizen satisfaction (CSAT) can be demonstrated and measured by, among other things, reducing the effort for Citizens when accessing government services, reducing processing times on their requests, enabling them to access the right information, service and channel on their first attempt, protecting their private and personal information, and by their receipt of a consistent high-quality service in every interaction.

(b) Strategic Outcome #2: Support to Province Ministries. Provide support to Province Ministries by, among other things, enabling their personnel to focus on Complex Service delivery that requires specialized expertise, decrease their workload through First Contact Resolution (FCR), and increase their current service delivery performance levels through Continuous Improvement Services.

(c) Strategic Outcome #3: Service Consolidation. Realize the vision of a "whole of government" approach to the contact centre service delivery where Service BC is the responsible organization within B.C. government for the informational and transactional Citizen experience. This vision will be realized through consolidation and integration of contact centre services in government as supported and implemented through Service Expansion and Business Development Services.

(d) Strategic Outcome #4: Affordability. Enable the Province and the Service Provider to implement, improve and maintain a service delivery model for the Services that is financially sustainable for, and affordable to, the Province through, among other things,

increasing operational efficiencies through Continuous Improvement Services, enabling Citizens to access self-serve options and lower cost channels, and creating performance incentives (e.g. Performance Fees) for the Service Provider to drive innovation and service quality.

5. Performance Measures.

The Performance Measures are the Service Levels that will be measured to determine whether Performance Objectives that support the achievement of the Strategic Outcomes are met. The Performance Measures are intended to demonstrate the value and effectiveness of the Services delivered by the Service Provider. Each Performance Measure has a specific Performance Standard which the Service Provider is required to meet. The Performance Objectives and their associated respective Performance Measures and Performance Standards are set out in **Attachment A** (*Performance Objectives and Measures*) attached to this Schedule.

6. Predictive Key Performance Indicators.

The Predictive Key Performance Indicators set out in the table below are metrics that can inform, influence and identify the trends of the Performance Measures over time. It is expected that the Service Provider will monitor, review and manage the metrics identified as Predictive Key Performance Indicators, on a regular and consistent basis, as part of their service delivery model. This information is considered business intelligence and it will be made available by the Service Provider to the Province through the reports described in **Schedule 15** (*Reporting Requirements*). Further, the measurement period and frequency of measurement of each Predictive Key Performance Indicator are specified in **Schedule 15** (*Reporting Requirements*).

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7. Other Service Levels.

Subject to the specific Performance Measures set out in this Agreement, and any higher standard or level of performance otherwise required in this Agreement which may be applicable in the circumstances, the Service Provider will perform the Contact Centre Services throughout the Term to a standard and level of performance which is equal to, or greater than, the standard and level of performance demonstrably achieved on a consistent basis before the Hand-Over Date for the services the Contact Centre Services will replace (provided, however, that such obligation will only apply to the extent Province has provided documentation to the Service Provider that sufficiently evidences such standard and level of performance). The foregoing will apply to all of the Services, including those portions of the Services that are not specifically measured or otherwise monitored through the use of Performance Measures.

8. Service Performance Improvement.

Notwithstanding the level of performance achieved by the Service Provider as measured by the Performance Measures and Predictive Key Performance Indicators and without limiting any of its other obligations under this Schedule, the Service Provider shall, through provision of Continuous Improvement Services and implementation of Improvement Ideas in accordance with **Schedule 5**

(*Services*), make efforts to improve or increase the quality and level of performance achieved by the Service Provider.

9. Relationship Heath.

The Province and the Service Provider want to ensure that insight into the health of the collaborative relationship is regularly measured and reported on. The following four types of scorecards that will be used to provide this insight and provide the source of data to measure Performance Measures:

(a) Operational Scorecard;

(b) Event Scorecard;

(c) Deal Scorecard; and

(d) Vendor Scorecard.

The Operational Scorecard and the Event Scorecard will enable the Province and the Service Provider personnel, comprising of the top three tiers of governance (as described in **Schedule 12** (*Governance*)) to complete a survey, at a predefined frequency, to account for the interactions between the Province and the Service Provider.

9.1 Internal Surveys.

The Parties will use Operational Surveys and Event Surveys to obtain the data necessary for each of the scorecards described in Section 9 above.

Set out below in this Section 9.1 below are: (a) principles with respect to the structure and components of Operational Surveys and Event Surveys; and (b) the methodologies that the Parties will apply to survey scoring and reporting survey scores in the scorecards.

9.1.1 Survey Groups and Sub-components.

To ensure consistency between the Operational Surveys and Event Surveys, a common set of groups and sub-components, as reflected in the forms of these surveys set out in **Attachment A** (*Forms of Operational Surveys*) and **Attachment B** (*Form of Event Survey*), will be maintained. For each of these subcomponents, one corresponding question must be included in the survey.

Survey Groups	Sub-Components
Collaboration and Innovation	**Commitment** – There is a high level of commitment to this deal being demonstrated, responses and solutions are readily provided, and issues are proactively managed.
	Reputation – Maximus and its personnel are viewed as "best in class", and there is continued emphasis and effort made to maintain that standing.

Survey Groups	Sub-Components
	Flexibility – There is a demonstrated willingness to work well amongst Maximus' personnel and their provincial counter-parts to solve issues and support the Shared Vision in ways that may require flexibility.
	Proactive Innovation – There is demonstrated willingness to meet the evolving service needs of Citizens, and a willingness to adapt to changing expectations when appropriate, and seamlessly implement solutions.
Relationship	**Strategic Cooperation** – Maximus and its personnel are easy to do business with, and there is a shared focus on finding long-term solutions to contractual or service issues that are mutually beneficial.
	Conflict Resolution – The relationship between the Province and Maximus is highly effective, with the majority of interactions at all levels being highly productive
	Strategic Relationship – The relationship is comprised of healthy and highly effective interactions, and focuses on achieving the deal's Strategic Outcomes in a timely manner.
	Communication – Communication between Maximus and the Province is effective and productive, and the governance model is utilized in a targeted and efficient manner.
Quality of Service	**Satisfaction** – Executives and operational personnel are pleased with the services being provided by Maximus.
	Reliability – The services being provided by Maximus are viewed as being consistently dependable, and there are not service interruptions that impact the quality of service.
	Precision – Executives and operational personnel consider the services being provided as being error free and done in full.
	Value For Money – Executives and operational personnel view the services received as being worth the cost, taking into account the value for Citizens.
Outcome Achievement	**Progress Towards** – Since the most recent survey, there has been progress towards meeting the Performance Objectives and Strategic Outcomes.
	Requirements – Executives and operational personnel view the services received as meeting their business needs and the needs of Citizens.

9.1.2 Survey Scale.

Responses to questions in an Operational Survey or Event Survey will use the following six-point scale:

Very Poor (1)	Poor (2)	Fair (3)	Good (4)	Very Good (5)	Excellent (6)

9.2 Operational Scorecard.

The purpose of the Operational Survey is measure the health of the interactions between the Province and the Service Provider during the day-to-day operations with respect to the Services.

9.2.1 Operational Survey Frequency.

Each Party will cause its applicable personnel comprising the top three tiers of governance, as set out in the table below, to complete an Operational Survey in accordance with the applicable frequency set out in the table below:

Viewpoint	Measure	Frequency	Measurement Period
Executive Leadership (Province)	Operational Survey	Annually (June 30th each year with the first Survey being distributed on June 30, 2018)	12 months (July 1 to June 30)
Executive Leadership (Service Provider)		Annually (June 30th each year with the first Survey being distributed on June 30, 2018)	12 months (July 1 to June 30)
Operations and Expansion Leadership (Province)		Bi-Annually (June 30th and December 31st with first Survey being circulated on December 31, 2017)	6 months (January 1 to June 30 or July 1 to December 31)
Operations and Expansion Leadership (Service Provider)		Bi-Annually (June 30th each year with the first Survey being distributed on June 30, 2018)	6 months (January 1 to June 30 or July 1 to December 31)
Operations and Expansion Management Team Leadership (Province)		Bi-Annually (June 30th each year with the first Survey being distributed on June 30, 2018)	6 months (January 1 to June 30 or July 1 to December 31)

Viewpoint	Measure	Frequency	Measurement Period
Operations and Expansion Management Team Leadership (Service Provider)		Bi-Annually (June 30th each year with the first Survey being distributed on June 30, 2018)	6 months (January 1 to June 30 or July 1 to December 31)

The Province will be responsible for administering the Operational Survey process by circulating the form of Operational Survey to an appropriate representative of the Service Provider (for distribution by such individual to the applicable Personnel of the Service Provider who need to complete the Survey) and to the applicable Province personnel and then collecting all of the completed Surveys. Upon receiving an Operational Survey from the Province, the Service Provider will ensure all of its applicable Personnel complete the Operational Survey and, within five Business Days of receipt of the Operational Survey, will submit all of the completed Operational Surveys to the Province so that the Province can produce Operational Scorecard in accordance with Section 9.2.3.

9.2.2 Operational Survey Score.

The aggregate score of each Operational Survey will be calculated applying the applicable weighting in the table below to the applicable average score of the Survey Group and totaling the resulting weighted scores. The table below illustrates how that calculation with be tabulated.

Survey Group	Proposed Weighting	Score
Collaboration and Innovation	25%	Average score for Collaboration and Innovation
Relationship	25%	Average score for Relationship
Quality of Service	25%	Average score for Quality of Service
Outcome Achievement	25%	Average score for Outcome Achievement
Operational Survey Score:		XX%

9.2.3 Operational Scorecard Weighting.

No later than July 15th each Contract Year (commencing in 2018), the Province will complete the Operational Scorecard for the prior Contract Year by using the following data sets and applying the respective weightings for the data sets to determine the score of the Operational Scorecard:

Data Set	Weightings
Executive Leadership (Province) – Operational Survey Score	5%
Executive Leadership (Service Provider) – Operational Survey Score	5%
Operations and Expansion Leadership (Province) – Average Operational Survey Score	10%
Operations and Expansion Leadership (Service Provider) – Average Operational Survey Score	10%
Operations and Expansion Management Team Leadership (Province) – Average Operational Survey Score	10%
Operations and Expansion Management Team Leadership (Service	10%

Provider) – Average Operational Survey Score	
Citizen Satisfaction – Average Annual CSAT Score	20%
First Contact Resolution – Average Annual FCR Rate for Transactional Services	20%
% of Performance Objectives Achieved, excluding Performance Measures #7, 8, 9, 13, 14, 15 and 16	10%
	100%

For purposes of applying scores of Operational Surveys (including Average Operational Survey Scores) to determine the score of an Operational Scorecard, each score of an Operational Survey or Average Operational Survey will be converted to a score out of 100% by dividing the score by 6 and multiplying by 100%.

9.3 Event Scorecard.

The Parties will use Event Scorecards to measure the health of the collaborative relationship between the Province and the Service Provider during interactions with respect to Events.

9.3.1 Event Survey Frequency.

Upon the conclusion of an Event, each Party will cause its applicable personnel comprising the top three tiers of governance, as set out in the table below, to complete an Event Survey. If an Event involves a Client Ministry, the Province will cause the appropriate leadership from such Client Ministry to also complete Event Surveys with respect to the Event.

Viewpoint	**Measure**	**Frequency**
Executive Leadership (Province) – Event Survey Score	Event Survey	As required
Executive Leadership (Service Provider) – Event Survey Score		As required
Operations and Expansion Leadership (Province) – Event Survey Score		As required
Operations and Expansion Leadership (Service Provider) – Event Survey Score		As required
Operations and Expansion Leadership Management Team (Province) – Event Survey Score		As required
Operations and Expansion Leadership Management Team (Service Provider) – Event Survey Score		As required
Executive Leadership (Client Ministry) – Survey Score		As required
Operations and Expansion Leadership (Client Ministry) – Event Survey Score		As required
Operations and Expansion Leadership Management Team (Client Ministry) – Event Survey Score		As required

The Province will be responsible for administering the Event Survey process by circulating the form of Event Survey to an appropriate representative of the Service Provider (for distribution by such individual to the applicable Personnel of the Service Provider who need to complete the Survey) and to the applicable Province personnel and then collecting all of the completed Surveys. Upon receiving an Event Survey from the Province, the Service Provider will ensure all of its applicable Personnel complete the Event Survey and, within five Business Days of receipt of the Event Survey, will submit all of the

completed Event Surveys to the Province so that the Province can produce Event Scorecard in accordance with Section 9.3.3 (*Event Scorecard Weighting*).

9.3.2 Event Survey Score.

The aggregate score of each Event Survey will be calculated by applying the applicable weighting in the table below to the applicable average score of the Survey Group and totaling the resulting weighted scores. The table below illustrates how that calculation will be tabulated.

Survey Group	Proposed Weighting	Score
Collaboration and Innovation	25%	Average score for Collaboration and Innovation
Relationship	25%	Average score for Relationship
Quality of Service	25%	Average score for Quality of Service
Outcome Achievement	25%	Average score for Achievement
Event Survey Score:		XX%

9.3.3 Event Scorecard Weighting.

At the end of each Event, the Province will complete the Event Scorecard for such Event by using the data sets in the table below and applying the respective weightings for the data sets set out in the table below to determine the score of the Event Scorecard. If an Event involves a Client Ministry, the weightings in the column with the heading "Weightings with Client Ministry perspective" will apply. If an Event involved no Client Ministries, the weightings in the column with the heading "Weightings w/o Client Ministry perspective" will apply. If an Event involves more than one Client Ministry, a separate Event Scorecard will be prepared for each Client Ministry as if a separate Event occurred with respect to each Client Ministry.

Data Set	Weightings with Client Ministry perspective	Weightings w/o Client Ministry perspective
Executive Leadership (Province) – Event Survey Score	7%	12%
Executive Leadership (Client Ministry) – Event Survey Score	7%	-
Executive Leadership (Service Provider) – Event Survey Score	10%	12%
Operations and Expansion Leadership (Province) – Event Survey Score	11%	18%
Operations and Expansion Leadership (Client Ministry) – Event Survey Score	11%	-
Operations and Expansion Leadership (Service Provider) – Event Survey Score	14%	18%
Operations and Expansion Management Team Leadership (Province) – Event Survey Score	12%	20%
Operations and Expansion Management Team Leadership (Client Ministry) – Event	12%	-

Survey Score		
Operations and Expansion Management Team Leadership (Service Provider) – Event Survey Score	16%	20%
	100%	**100%**

For purposes of applying scores of Event Surveys to determine the score of an Event Scorecard, each score of an Event Survey will be converted to a score out of 100% by dividing the score by 6 and multiplying by 100%.

Notwithstanding the foregoing, at the option of the Province, Transition Leads may complete Event Surveys rather than the Operations and Expansion Team Leadership, and the Event Survey Scores from those Surveys used in substitution of Event Survey Scores of Operations and Expansion Team Leadership to determine the score of an Event Scorecard for an Event that involves the Transition Leads.

At the end of each Contract Year, the average score for all Event Scorecards with respect to Events in such Contract Year will be used to determine the Event Scorecard for that Contract Year (the "**Annual Event Scorecard**") and its score.

9.4 Deal Scorecard.

At the end of each Contract Year, the Province will combine the results of the Operational Score and Annual Event Scorecard for that Contract Year to calculate a deal scorecard (the "**Deal Scorecard**"). The Deal Scorecard will be calculated applying the following weightings:

Data Source	Weighting
Operational Scorecard	70%
Annual Event Scorecard	30%

If there is no Annual Event Scorecard for a Contract Year, the Deal Scorecard for such Contract Year will be based entirely on the Operational Scorecard.

9.5 Vendor Scorecard.

At the end of each Contract Year, the Province will combine the results of the Operational Scorecard and the Annual Event Scorecard, but will remove any survey inputs from the Service Provider, to calculate a vendor scorecard (the "**Vendor Scorecard**"). The Vendor Scorecard will be calculated applying the following weightings:

Data Source	Weighting
Operational Scorecard (Province input only)	70%
Annual Event Scorecard (Province input only)	30%

If there is no Annual Event Scorecard for a Contract Year, the Vendor Scorecard for such Contract Year will be based entirely on the Operational Scorecard (with Province survey inputs only).

10. Citizen Satisfaction Questionnaires and Related Methodology

(a) For the period from the Operations Go Live Date to September 30, 2017, the Service Provider will use the form of questionnaire and related methodology set out in **Attachment D** (*Legacy Form of Questionnaire and Related Methodology*) attached to this Schedule for acquiring feedback from Citizens and determining CSAT Scores.

(b) After September 30, 2017, the Service Provider will use an alternative form of questionnaire and related methodology for acquiring feedback from Citizens and to determining CSAT Scores (the "**New CSAT Measurement Methodology**"), set out in **Attachment E** (*New CSAT Form of Questionnaire and Related Methodology*) attached to this Schedule.

11. BC Stats Citizen Satisfaction Surveys.

The Service Provider acknowledges that the Province plans to arrange for BC Stats to conduct Citizen satisfaction surveys (which are in addition to the surveys described above) at the end of Contract Year 1 and Contract Year 3. Any such surveys and related support provided by BC Stats, including assistance in development of survey questions, will be paid for directly by the Province (and are outside the scope of Services and Fees under this Agreement).

12. Performance Management Framework Review Cycle.

The Parties acknowledge and agree that Performance Management Framework is intended to be comprehensive, but not all inclusive, and that the Parties are committed to improving the Performance Management Framework, including making change to Performance Measures where appropriate, in support of the Shared Vision, Guiding Principles, Objectives and Strategic Outcomes and to align with Annual Operating and Strategic Plans. In support thereof, the Parties, through the Governance Process, will, at least annually, conduct a joint review of the Performance Management Framework to validate that all components of the framework remain relevant and appropriate, as well as consider changes to the framework that the Parties, through the Governance Process, determine to be appropriate or desirable taking into consideration industry standards, the results of Benchmarking and achieved levels of Performance Measures. The Parties will implement any change to the Performance Management Framework which results from any such joint review in accordance with the Change Order Process.

13. Performance Management Remedies

(a) In the event that the Service Provider fails to meet a Performance Standard or there is any other Service performance deficiency (a "**Performance Failure**"), the Service Provider will, upon becoming aware of such Performance Deficiency, promptly investigate and correct the Performance Failure as part of the Base Services by:

(i) promptly initiating problem investigations;

(ii) promptly notifying the Province of the Performance Failure and the results of investigations into the problem(s) causing the Performance Failure; and

(iii) correcting problems so as to cure the deficiency or bring performance of the Services in compliance with the applicable Performance Standard.

(b) In addition to the obligations of Service Provider and remedies of the Province under Section 13(a) above:

(i) In the event of a Performance Failure with respect to any of the Performance Measures set out in the table below that meets the threshold for that Performance Measure in the column with the heading "Performance Action Plan Threshold", the Service Provider will, in addition to its obligations under Section 13(a) above:

A. prepare, in consultation with the Province, an Performance Action Plan to instill confidence in the Province that the problem that caused or is causing the Performance Failure will be resolved and that the required level of quality will be achieved;

B. implement such Performance Action Plan;

C. report on progress against such Performance Action Plan in accordance with **Schedule 15** (*Reporting Requirements*); and

D. as part of or in connection with any such Performance Action Plan:

a) advise the Province of the root cause of problem(s) causing the Performance Failure and the status of remedial efforts being undertaken with respect to such problems;

b) upon the Province's request, provide reasonable evidence to the Province that the causes of the problems have been or will be corrected; and

c) make written recommendation to the Province for improvements to avoid future similar Performance Failures.

(ii) In the event of repetitive Performance Failures with respect to the same Performance Measure that meets the threshold for that Performance Measure in the column with the heading "Chronic Poor Performance Threshold", such event will constitute a "Material Breach" by the Service Provider.

Performance Measure	**Performance Action Plan Threshold**	**Chronic Poor Performance Threshold**
PM#2	s.17	

Performance Measure	Performance Action Plan Threshold	Chronic Poor Performance Threshold
	s.17	
PM#9		
PM#11		
PM#12		
PM#16		

Performance Measure	Performance Action Plan Threshold	Chronic Poor Performance Threshold
PM#18	s.17	
PM#7, PM#8, PM#13, PM#14, PM#15, PM#17, PM#19		
PM#5, PM#10, PM#22, PM#23		

Performance Measure	Performance Action Plan Threshold	Chronic Poor Performance Threshold
	s.17	

(c) In addition to and without limitation to the Province's other rights or remedies under this Agreement or at law or in equity, in the event of a Performance Failure, either the Province or the Service Provider may escalate the Performance Failure to the appropriate Governance Level, in accordance with the Governance Process. This approach is intended to:

(i) Promote communication and shared understanding between both Parties;

(ii) Ensure timely resolution of the Performance Failure; and

(iii) Allow for the adaptation and implementation of strategies to reduce the likelihood of any such Performance Failure reoccurring.

(d) The Service Provider acknowledges and agrees that a Performance Failure, whether on its own or together with other Performance Failures or occurrences of the same Performance Failure, may have a material adverse impact on the Province and that it is obligated to meet all Performance Standards, even if no remedy for a failure to meet such Performance Standard is expressly provided in this Agreement. The exercise by the Province of any of its rights under this Schedule, including any of the rights and remedies of the Province set out above in this Section 13, shall be without prejudice or limitation to its other rights or remedies under this Agreement or at law or in equity, including the Province's right to initiate the Dispute Resolution Process, the Province's right to claim and collect damages and the Province's right to terminate this Agreement, in whole or in part, in accordance with the provisions of this Agreement.

14. Excusable Events.

The Service Provider will not be responsible for any failure to meet Performance Standards to the extent that such failure is directly attributable to the Province or its Other Service Providers (an "**Excusable Event**"). If the Service Provider believes that an Excusable Event has occurred, the Service Provider will notify the Province in writing of this belief and of its reasons for this belief, as soon as practicable (but no later than 30 days after occurrence of the event), and the Excusable Event will be discussed by the Parties through the Governance Process. If the Parties agree, though the Governance Process, that an Excusable Event did occur, they will determine the adjustments that will be made, if any, to the calculation of the Performance Measure, including an appropriate deduction of time from the measurement of the Performance Measure.

15. Performance Fees.

(a) If the Service Provider achieves a Performance Objective set out in the table below by meeting or exceeding the Performance Goal for its associated Performance Measure in a Contract Quarter (which in the case of a Performance Goal that is measured both monthly and quarterly, must only be achieved for the applicable three month quarterly measurement period for purposes of this Section), the Province will pay to the Service Provider a performance fee with respect to such Contract Quarter based on gross-margin percentage specified in the table below for such Performance Measure and the Contract Year in which such Contract Quarter occurred ("**Gross Margin % Earned**") and calculated in accordance with Section 15(d) (a "**Performance Fee**"). For clarity, the Performance Goal that must be met or exceeded for each Performance Objective is set out in the table in **Attachment A** (*Performance Objectives and Measures*) attached to this Schedule.

s.17

e

(b) This Section will apply during any Extension and the Gross Margin % Earned for Contract Year 5 will apply to any Extension.

(c) For clarity and without limitation, the Province may recapture a portion of Performance Fees through the sharing of Excess Spread under **Schedule 17** (*Fees and Economic Model*).

(d) A Performance Fee will be calculated in accordance with the applicable formula below:

With respect to Performance Measure PM#2 and Contract Year 1, the following formula will apply to determine the Performance Fee:

s.17

With respect to Performance Measures PM#9, PM#11, PM#12 and PM#16 and a particular Contract Year, the applicable formula below will apply to determine the Performance for the applicable Contract Quarter:

s.17

s.17

16. Performance-based Term Extensions.

Without limiting Province's right to elect to extend the Term in its discretion under Section 4.2 of the main body of this Agreement, if the Service Provider achieves the criteria below for a Contract Year, the Province will exercise its right to extend the Term for one Extension (i.e. one year Extension of the Term), provided, however, that such Extension is conditional upon the Parties successfully negotiating the terms and conditions of such Extension, including all pricing for such Extension.

Contract Year	Performance-based Term Extensions Available	Criteria
1	N/A	N/A
2	N/A	N/A

Contract Year	Performance-based Term Extensions Available	Criteria
3	One year Extension	PM#9 for all measurement periods in Contract Year 3 s.17 AND All Performance Failures and Transition Deficiencies (if any) addressed through Performance Action Plans have been corrected or otherwise remediated (to the extend required under this Agreement) in accordance with such Performance Action Plans, including completion of all remediation activities by their expected respective completion dates specified in such Performance Action Plans
4	One year Extension	Both the following are achieved: Vendor Scorecard for Contract Year 4 ≥ s.17 AND PM#9 for all measurement periods in Contract Year 4 s.17
5	N/A	N/A

ATTACHMENT A
(Schedule 9)

PERFORMANCE OBJECTIVES AND MEASURES

In the table below:

- The column with the heading "Measurement Frequency" sets out: (a) the frequency each Performance Measure will be measured, which will either be a specific date or a repetitive measurement period defined by the specified frequency and starting on the date specified under the heading "Start Date" and ending on the date specified under the heading "End Date"; and (b) except for Performance Measures that are measured at a point in time, the measurement period for measuring the Performance Measure, which in some cases will be multiple measurement periods (e.g. month and Contract Quarter);
- All periods specified in the column with the heading "Measurement Frequency" are based on Contract Years (e.g. a quarterly measurement will be on a Contract Quarter basis);
- The sources of data for the Performance Measures are identified in **Schedule 15** (*Reporting Requirements*); and
- The Performance Standard for Performance Measure #15 has not been determined as of the Effective Date, but the Parties agree to set such Performance Standard (based on Service Provider's actual performance during the Stabilization Period) and implement it pursuant to an amendment to this Agreement or Change Order on or before January 1, 2018. If the Parties do not agree to such Performance Measure on or before January 1, 2018, the Performance Standard will be deemed to be the average level of performance of Performance Measure #15 in the three months prior to such date.

PM#	Performance Objective	Related Strategic Outcome	Performance Measure	Start Date	End Date	Performance Standard	Performance Goal	Measurement Frequency
1.	s.17							
2.								
3.								

PM#	Performance Objective	Related Strategic Outcome	Performance Measure	Start Date	End Date	Performance Standard	Performance Goal	Measurement Frequency
	s.17							
4.								
5.								
6.								

PM#	Performance Objective	Related Strategic Outcome	Performance Measure	Start Date	End Date	Performance Standard	Performance Goal	Measurement Frequency
7.	s.17							
8.								
9.								
10.								
11.								
12.								

PM#	Performance Objective	Related Strategic Outcome	Performance Measure	Start Date	End Date	Performance Standard	Performance Goal	Measurement Frequency
13.	s.17							
14.								
15.								
16.								
17.								

PM#	Performance Objective	Related Strategic Outcome	Performance Measure	Start Date	End Date	Performance Standard	Performance Goal	Measurement Frequency
18.	s.17							
19.								
20.								
21.								
22.								

PM#	Performance Objective	Related Strategic Outcome	Performance Measure	Start Date	End Date	Performance Standard	Performance Goal	Measurement Frequency
23.	s.17							

ATTACHMENT B
(Schedule 9)

FORMS OF OPERATIONAL SURVEYS

Operational Survey (Province)

Group	Component	Question	Score
Collaboration and Innovation	**Commitment**	*How would you rate overall level of commitment by the Service Provider to this contract?*	
	Reputation	*How do you view the Service Provider's current standing and reputation within the industry?*	
	Flexibility	*How would you rate the willingness of the Service Provider to meet the evolving needs of the Province?*	
	Proactive Innovation	*How would you rate the extent to which the Service Provider is communicating to the Province proactively to better the services offered with innovative solutions?*	
Relationship	**Strategic Cooperation**	*How would you rate the level of cooperation between the Province and the Service Provider for this deal?*	
	Conflict Resolution	*How would you rate the Service Provider's approach to seeking solutions to any conflicts or disputes between the parties?*	
	Strategic Relationship	*How would you rate the strength of the relationship between the Service Provider and the Province?*	
	Communication	*How would you rate the level of open communication by the Service Provider with the Province?*	
Quality of Service	**Satisfaction**	*How would you rate the Province's satisfaction with the services the Province has received from the Service Provider?*	
	Reliability	*How would you rate the Service Provider's ability to address the Province's concerns honestly and in a timely manner?*	

Group	Component	Question	Score
	Precision	*Since the most recent Operational Survey you completed, how would you rate the extent to which the services provided by the Service Provider were error free?*	
	Value for Money	*How would you rate the price of the services provided by the Service Provider, relative to performance?*	
Outcome Achievement	**Progress Towards**	*Since the most recent Operational Survey you completed, how would you rate the progress made towards the achievements of this deal's Strategic Outcomes?*	
	Requirements	*How would you rate the ability of the services provided by the Service Provider to meet the Province's requirements?*	

Operational Survey (Service Provider)

Group	Component	Question	Score
Collaboration and Innovation	**Commitment**	*How would you rate the overall level of commitment of the Service Provider to this contract?*	
	Reputation	*How do you view the Service Provider's current standing and reputation within the industry?*	
	Flexibility	*How would you rate the willingness of the Service Provider to meet the evolving needs of the Province?*	
	Proactive Innovation	*How would you rate the extent to which the Service Provider is proactive in reaching out to better the services offered with innovative solutions?*	
Relationship	**Strategic Cooperation**	*How would you rate the level of cooperation between the Province and the Service Provider within this deal?*	
	Conflict Resolution	*How would you rate the Service Provider's approach to seeking solutions to any conflicts or disputes?*	
	Strategic Relationship	*How would you rate the strength of the relationship*	

Group	Component	Question	Score
		between the Service Provider and the Province?	
	Communication	*How would you rate the level of open communication with the Province?*	
Quality of Service	**Satisfaction**	*How satisfied do you think the Province is with the Service Provider's delivery of services?*	
	Reliability	*How would you rate the Service Provider's ability to address the Province's concerns honestly and in a timely manner?*	
	Precision	*Since the most recent Operational Survey you completed, how would you rate the extent to which the services provided by the Service Provider were error free?*	
	Value for Money	*How would you rate the price paid by the Province, relative to performance?*	
Outcome Achievement	**Progress Towards**	*Since the most recent Operational Survey you completed, how would you rate the progress made towards the achievements of this deal's Strategic Outcomes?*	
	Requirements	*How would you rate the ability of the services provided by the Service Provider to meet the requirements of Province set out in this contract?*	

ATTACHMENT C
(Schedule 9)

FORM OF EVENT SURVEY

Form of Event Survey to be completed by the Province

Group	Component	Question	Score
Collaboration and Innovation	**Commitment**	*How would you rate overall level of commitment by the Service Provider throughout this event?*	
	Reputation	*How would you rate the Service Provider's reputation, based solely on their actions and effectiveness throughout this event?*	
	Flexibility	*How would you rate the ability of the Service Provider to react effectively when issues or changes arose throughout this event?*	
	Proactive Innovation	*How would you rate the ability of the Service Provider to suggest attainable alternatives to address any challenges that arose during this event or to do things better?*	
Relationship	**Strategic Cooperation**	*How would you rate the level of cooperation between the Province and the Service Provider throughout this event?*	
	Conflict Resolution	*How would you rate the Service Provider's approach to seeking solutions to any conflicts or disputes during this event?*	
	Strategic Relationship	*Coming out of this event, how would you rate the strength of the relationship between the Service Provider and the Province?*	
	Communication	*Throughout this event, how would you rate the level of open communication by the Service Provider with the Province?*	
Quality of Service	**Satisfaction**	*How would you rate your satisfaction with the outputs and outcomes of this event?*	
	Reliability	*How would you rate the extent to which the Province could depend on the Service Provider during this event to meet its obligations?*	

Group	Component	Question	Score
	Precision	*How would you rate the extent to which the services provided by the Service Provider during this event were error free?*	
	Value for Money	*How would you rate the investment by the Service Provider relative to the value of the event?*	
Outcome Achievement	**Progress Towards**	*How would you rate the progress made during the event to the achievement of this event's intended outcomes or outputs?*	
	Requirements	*How would you rate the ability of the Service Provider to meet the Province's requirements for this event?*	

Form of Event Survey to be completed by Service Provider

Group	Component	Question	Score
Collaboration and Innovation	**Commitment**	*How would you rate the overall level of commitment of the Service Provider throughout this event?*	
	Reputation	*How would you rate the Service Provider's reputation with the Province, based on its actions and effectiveness throughout this event?*	
	Flexibility	*How would you rate the ability of the Service Provider to react effectively when issues or changes arose throughout this event?*	
	Proactive Innovation	*How would you rate the ability of the Service Provider to suggest attainable alternatives to address any challenges that arose during this event or to do things better?*	
Relationship	**Strategic Cooperation**	*How would you rate the level of cooperation between the Province and the Service Provider throughout this event?*	
	Conflict Resolution	*How would you rate the Service Provider's approach to seeking solutions to any conflicts or disputes between the parties during this event?*	
	Strategic Relationship	*Coming out of this event, how would you rate the strength of the relationship between the Service*	

Group	Component	Question	Score
		Provider and the Province?	
	Communication	*Throughout this event, how would you rate the level of open communication by the Service Provider with the Province?*	
Quality of Service	**Satisfaction**	*How would you rate your satisfaction with the outputs and outcomes of this event?*	
	Reliability	*How would you rate the extent to which the Province could depend on the Service Provider during this event to meet its obligations?*	
	Precision	*How would you rate the extent to which the services provided by the Service Provider during this event were error free?*	
	Value for Money	*How would you rate the commitment (including financial investment and dedication of personnel) by the Service Provider relative to the value of the event?*	
Outcome Achievement	**Progress Towards**	*How would you rate the progress made during the event to the achievement of this event's intended outcomes or outputs?*	
	Requirements	*How would you rate the ability of the Service Provider to meet the Province's requirements for this event?*	

ATTACHMENT D
(Schedule 9)

LEGACY CSAT FORM OF QUESTIONNAIRE AND RELATED METHODOLOGY

1. Survey Methodology.

There is no claim that this is a controlled survey, callers are chosen at random when time permits.

2. Form of Questionnaire.

The questions below will be include in the questionnaires provided to Citizens:

Q1. How often do you use our service?
- First time basis; or
- Regular caller

Q2. Where did you first hear of Service BC?
- Blue pages;
- The internet or other media;
- Government referral; or
- Word of mouth

Q3. Do you use our service mainly for:
- Information and referrals;
- Transfers; or
- Both

Q4. Have you ever received a wrong referral?
- Never;
- Once in a while; or
- Often

Q5. How do you rate the service you have received?
- Excellent;
- Good; or
- Poor

3. Scoring Methodology.

Only questions 4 and 5 will be used to calculate CSAT score as shown below.

Q4 CSAT = Percentage of surveys where respondents answer *Never* OR *Once in a While*

Q5 CSAT = Percentage of surveys where respondents answered *Excellent* OR *Good*

CSAT = (Q4 CSAT + Q5 CSAT) ÷ 2

4. Form of Legacy CSAT Report.

The Form of Legacy CSAT Report is described in **Schedule 15** (*Reporting Requirements*).

ATTACHMENT E
(Schedule 9)

NEW CSAT FORM OF QUESTIONNAIRE AND RELATED METHODOLOGY

1. Form of Questionnaire and its Deployment.

The Service Provider will ensure Citizens have the ability to provide feedback of their experience with Service BC through all Channels and for all Citizen Interactions.

For all Citizen Interactions, Citizens will receive the following message:

"Using a scale of 1 to 5, where 1 is Strongly Disagree and 5 is Strongly Agree, please rate your level of agreement with the following statements…

S1. I was satisfied with the quality of the service delivery

S2. I was satisfied with the amount of time it took to get the service

S3. I was satisfied with the ease of accessing the service

S4. I would speak positively to others about my service experience

S5. Staff were courteous

2. Scoring Methodology.

S1 CSAT = Percentage of surveys where respondents answered *4* OR *5*

S2 CSAT = Percentage of surveys where respondents answered *4* OR *5*

S3 CSAT = Percentage of surveys where respondents answered *4* OR *5*

S4 CSAT = Percentage of surveys where respondents answered *4* OR *5*

S5 CSAT = Percentage of surveys where respondents answered *4* OR *5*

CSAT = (S1 CSAT + S2 CSAT + S3 CSAT + S4 CSAT + S5 CSAT) ÷ 5

3. Form of New CSAT Report.

The Form of New CSAT Report is described in **Schedule 15** (*Reporting Requirements*).

SCHEDULE 10

NON-DISCLOSURE AGREEMENT

This Schedule 10 *(Non-Disclosure Agreement)* comprises two forms of non-disclosure agreements for use as follows:

- Schedule 10A - for use in connection with third parties (excluding Province employees) who will have access to Service Provider Confidential Information, as contemplated under the Agreement.

- Schedule 10B — for use in connection with any Benchmarking where the Benchmarker will have access to Service Provider Confidential Information and Province Confidential Information.

SCHEDULE 10A

NON-DISCLOSURE AGREEMENT

THIS AGREEMENT, dated as of _____, is between MAXIMUS Canada Services Inc. (**"Service Provider"**) and _____ (the **"Contractor").**

WHEREAS, pursuant to the terms and conditions of a Master Services Agreement (the **"Master Services Agreement")** dated as of January 1, 2017 between Service Provider and Her Majesty the Queen in right of the Province of British Columbia, as represented by the Minister of Technology, Innovation and Citizens' Services (the **"Province"**), Service Provider is providing ● services to the Province (collectively the **"● Project"**);

AND WHEREAS the Province has requested Service Provider to provide the Contractor with access to certain confidential, proprietary, or trade secret information of Service Provider in connection with the ● Project for **[insert purpose of access to confidential information, e.g. performing an audit of [Insert detail]]** (the **"Business Purpose"**);

AND WHEREAS, in consideration of the disclosure of Service Provider confidential, proprietary or trade secret information to the Contractor, Service Provider requires that such information be retained in confidence in accordance with the terms and conditions set forth in this Agreement, and the Contractor agrees to keep such information confidential in accordance with such terms;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficient of which is hereby acknowledged, Service Provider and the Contractor hereby agree as follows:

1. **Definition.** In this Agreement:

   (a) **"Service Provider Confidential Information"** means any technical, business, financial, personal, employee, operational, scientific, research or other information or data of: (1) Service Provider; (2) Service Provider's subcontractors, suppliers or customers; or (3) the affiliates of Service Provider or its subcontractors, suppliers or customers; in whatsoever form or media, whether in writing, electronic form or communicated orally or visually that, at the time of disclosure or within ten days thereafter is designated as confidential (or like designation) and including:

      (i) computer programs in any format whatsoever including the object and source therefor, all related documentation, any modifications to such computer programs and documentation and all draft or development versions of such programs, documentation or modifications;

      (ii) personal information of Service Provider employees, subcontractors, suppliers, agents or representatives;

      (iii) information relating to the business or affairs of Service Provider including:

         A. financial information, purchasing and cost information, price and cost data, price and fee amounts, margins and overheads and quoting, pricing and billing policies, practices, processes and procedures;

         B. Service Provider forecasts, Service Provider future plans, Service Provider potential strategies, Service Provider budgets and Service Provider investment opportunities; and

C. marketing techniques, marketing and development plans, methods of obtaining business and business plans; and

(iv) information relating to Service Provider's products, services and business processes including information relating to:

A. research and development projects or plans;

B. information technology, business process or other infrastructures, environments, networks or security including architectures, configurations, topologies, products, logs, parameters and controls;

C. Service Provider's business policies, practices, processes and procedures including all policies, practices, processes and procedures relating to security; and

D. Service Provider development tools, know-how, methodologies, templates, processes, technologies or algorithms;

whether communicated before or after the date hereof and whether provided or disclosed, directly or indirectly, by Service Provider or to which the Contractor obtains access, directly or indirectly, through Service Provider and including any such information disclosed by the Province. Service Provider Confidential Information includes documents, working papers, notes, observations, summaries, explanations or other material prepared by any person and derived from the Service Provider Confidential Information.

2. **Confidentiality**.

(a) **Protection**. The Contractor agrees to hold the Service Provider Confidential Information in strict confidence, and agrees that it will not disclose, distribute or disseminate the Service Provider Confidential Information, or documents or information derived therefrom, in any way to any third party. Without limiting the generality of the foregoing, the Contractor agrees that it shall treat such information as confidential and with a degree of care no less than the degree of care that the Contractor employs for the protection of its own confidential information of a similar nature. The Contractor will not use the Service Provider Confidential Information for its own benefit or the benefit of others, except in connection with the Business Purpose as expressly authorized in this Agreement.

(b) **Restriction.** The Contractor also agrees not to copy Service Provider Confidential Information which is in documented form except with the written consent of Service Provider. The Contractor shall not disclose or give access to the Service Provider Confidential Information to any persons other than the Contractor's employees who have a need to know and are identified on Schedule A. Each such employee of the Contractor shall confirm that he or she has read this Agreement and agrees to be bound by the terms of this Agreement as though such employee were a party hereto and shall indicate such agreement in the manner set forth in Schedule A. Any failure of Contractor's employees to comply with the provisions of this Agreement shall be deemed to be a failure of the Contractor to comply with the provisions of this Agreement and the Contractor shall be liable to Service Provider in respect thereof.

(c) **Exception.** Section 2(a) *(Protection)* and Section 2(b) *(Restriction)* shall not prevent the Contractor from disclosing information that belongs to the Contractor or that the Contractor can reasonably demonstrate:

(i) was, at the time of disclosure to the Contractor, in the public domain;

(ii) after disclosure to the Contractor, is published or otherwise becomes part of the public domain through no fault of the Contractor;

(iii) was in the possession of the Contractor at the time of disclosure to the Contractor, and was not the subject of a pre-existing confidentiality obligation;

(iv) was disclosed independently to the Contractor by a third party (other than the Province) who, insofar as the Contractor was aware, was not subject to any confidentiality obligations in respect thereof, and in any event, provided that such information was not of a nature that had it been the confidential information of the Contractor, the Contractor would have required that it be kept confidential;

(v) was independently developed by the Contractor without the use of any Service Provider Confidential Information; or

(vi) is disclosed with the prior written approval of Service Provider, but only to the extent approved by Service Provider.

This Agreement shall not prevent the Contractor from disclosing Service Provider Confidential Information which is required to be disclosed pursuant to the applicable law of Canada (including pursuant to a requirement of a governmental agency or law of Canada, or any governmental or political subdivision thereof), so long as the Contractor provides Service Provider with prompt written notice of such requirement and takes steps sufficient to allow Service Provider an opportunity to object to such disclosure. Any such disclosure pursuant to applicable law of Canada will only be to the extent legally required and only for the purpose of compliance with applicable law and not for any other purpose.

(d) **Disclosure to the Province**. Section 2(a) (*Protection*) and Section 2(b) (*Restriction*) shall not prevent the Contractor from disclosing Service Provider Confidential Information to the Province in connection with the Business Purpose.

(e) **Notification of Unauthorized Use of Service Provider Confidential Information**. The Contractor shall (i) promptly notify Service Provider of any unauthorized possession, use or disclosure, or attempt to effect the same, of Service Provider Confidential Information ("**Unauthorized Disclosure**"), (ii) promptly furnish Service Provider with details of such Unauthorized Disclosure, and assist Service Provider in investigating or preventing any recurrence, (iii) cooperate with Service Provider in any litigation and investigation against third parties deemed necessary by Service Provider to protect the Service Provider Confidential Information, as such litigation or investigation is related to the Unauthorized Disclosure, and (iv) promptly use reasonable efforts to prevent a recurrence of any Unauthorized Disclosure.

(f) **Canadian Institute of Chartered Accountants**. If the Contractor is a member in good standing of the Canadian Institute of Chartered Accountants and is acting in such capacity with respect to the Service Provider Confidential Information disclosed to the Contractor in connection with the Business Purpose, then the Contractor may also

disclose Service Provider Confidential Information to the extent such disclosure is required under any professional standards promulgated by the Canadian Institute of Chartered Accountants. Any such disclosure pursuant to any professional standards promulgated by the Canadian Institute of Chartered Accountants will only be to the extent required under such standards and only for the purpose of compliance therewith and not for any other purpose. In such event, the Contractor shall also be entitled to retain such copies of Service Provider Confidential Information as is necessary to comply with the professional standards described above with respect to the documentation of work performed, which Service Provider Confidential Information shall continue to be subject to the provisions of this Agreement.

3. **Return of Service Provider Confidential Information.** The Contractor shall be entitled to retain one copy of the Service Provider Confidential Information and any working papers of the Contractor related thereto in its files, which Service Provider Confidential Information shall continue to be subject to the provisions of this Agreement. Subject to the foregoing, upon the completion of the Business Purpose or at the request of Service Provider, the Contractor shall return all copies of the Service Provider Confidential Information, and all derivatives thereof, to Service Provider or, at Service Provider option and direction, shall certify in writing that all copies of the Service Provider Confidential Information have been destroyed. The Contractor may return the Service Provider Confidential Information, or any part thereof, to Service Provider at any time.

4. **No Warranty.** Service Provider makes no representation or warranty, express or implied, with respect to the Service Provider Confidential Information and accepts no responsibility for any expenses, losses, or actions incurred or undertaken by the Contractor as a result of the receipt or use of the Service Provider Confidential Information.

5. **No Further Rights.** Nothing contained in this Agreement shall be construed as granting or conferring any rights by license or otherwise in the Service Provider Confidential Information except as expressly provided herein.

6. **Injunctive Relief.** The Contractor acknowledges and agrees that the Service Provider Confidential Information is the confidential, proprietary and trade secret information of Service Provider or its subcontractors, suppliers or customers or of its or their affiliates and that the unauthorized use or disclosure of the Service Provider Confidential Information could cause irreparable harm and significant injury to Service Provider for which Service Provider would have no adequate remedy at law. Therefore, Service Provider shall have the right, in addition to any other rights Service Provider may have at law or in equity, to seek immediate injunctive relief enjoining any breach or potential breach of this Agreement by the Contractor. The Contractor hereby waives the necessity of the posting any form of bond relating to the issuance of injunctive relief.

7. **Media Releases.** No media releases, public announcements or disclosures relating to this Agreement, its subject matter or the Service Provider Confidential Information shall be issued by the Contractor without the prior written approval of Service Provider.

8. **Miscellaneous**.

   (a) Each of the parties hereto will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take all such steps as may be

reasonably within its power to implement to their full extent the provisions of this Agreement.

(b) No delay or omission by Service Provider to exercise any right or power hereunder shall impair such right or power or be construed to be a waiver thereof. All remedies provided for in this Agreement shall be cumulative and in addition to and not in lieu of any other remedies available at law, in equity or otherwise.

(c) Any notices required by this Agreement shall be given in hand or sent by courier, to the applicable address set forth below the names of the parties on the signature page of this Agreement. Either party may from time to time specify as its address for purposes of this Agreement any other address upon giving written notice thereof to the other party.

(d) Subject to the express limitations set out in this Agreement, this Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

(e) The word "includes" and words derived from the word "include" are used for illustrative purposes only and are not meant to be limiting.

(f) This Agreement (i) is the complete and exclusive statement between the parties with respect to the protection of the confidentiality of the Service Provider Confidential Information, (ii) supersedes all related discussions and other communications between the parties, (iii) may only be modified in writing by authorized representatives of the parties, and (iv) shall be governed by the laws of the Province of British Columbia.

(g) This Agreement may be signed in counterparts and each of such counterparts will constitute an original document and such counterparts, taken together, will constitute one and the same instrument.

IN WITNESS WHEREOF, Service Provider and the Contractor have each caused this Agreement to be signed and delivered as of the date first set forth above.

MAXIMUS CANADA SERVICES, INC.

_____
[Print Name of Contractor]

By:_____

Name:

Title:

By:_____

Name:

Title:

Name: Address: Attention: Telephone:	Name: Address: Attention: Telephone:

SCHEDULE A

Contractor employees granted access to Service Provider Confidential Information

Designated Persons:

NAME	INITIALS
	(For the purpose of acknowledging that the Designated Person has read and understands the restrictions contained in the Agreement and agrees to be bound by such restrictions)
1. John Smith – ABC Inc.	_____

SCHEDULE 10B

NON-DISCLOSURE AGREEMENT

THIS AGREEMENT, dated as of _____, is among MAXIMUS Canada Services Inc. (**"Service Provider"**), Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Technology, Innovation and Citizens' Services (the **"Province")** and _____ (the **"Contractor")**.

WHEREAS, pursuant to the terms and conditions of a Master Services Agreement (the **"Master Services Agreement"**) dated January 1, 2017 between Service Provider and the Province**,** Service Provider is providing ● services to the Province (collectively the **"● Project"**);

AND WHEREAS the Province has requested Service Provider to provide the Contractor with access to certain confidential, proprietary, or trade secret information of Service Provider in connection with the ● Project for the purpose of performing a benchmarking of the services and fees under the Master Services Agreement and **[insert appropriate details regarding the benchmarking]** (the **"Business Purpose"**);

AND WHEREAS, in consideration of the disclosure of Service Provider's and the Province confidential, proprietary or trade secret information to the Contractor, Service Provider and the Province require that such information be retained in confidence in accordance with the terms and conditions set forth in this Agreement, and the Contractor agrees to keep such information confidential in accordance with such terms;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficient of which is hereby acknowledged, Service Provider, the Province and the Contractor hereby agree as follows:

1. **Definition.** In this Agreement:

   (a) **"Confidential Information"** means the Service Provider Confidential Information and the Province Confidential Information.

   (b) **"Province Confidential Information"** means any technical, business, financial, personal, employee, operational, scientific, research or other information or data of the Province, and any other information regarding the Province's business, plans and markets, information of or relating to the Province or of any person that has disclosed such information to the Province or its agents, in whatsoever form or media, whether in writing, in electronic form or communicated orally or visually that, at the time of disclosure is designated or within ten days thereafter is designated as confidential (or like designation), whether communicated before or after the date hereof and whether provided or disclosed, directly or indirectly, by the Province or to which the Contractor obtains access, directly or indirectly, through the Province and including any such information disclosed by the Province. Province Confidential Information includes documents, working papers, notes, observations, summaries, explanations or other material prepared by any person and derived from the Province Confidential Information.

   (c) **"Service Provider Confidential Information"** means any technical, business, financial, personal, employee, operational, scientific, research or other information or data of: (1) Service Provider; (2) Service Provider's subcontractors, suppliers or customers; or (3) the affiliates of Service Provider or its subcontractors, suppliers or customers; in whatsoever form or media, whether in writing, electronic form or communicated orally or visually that, at the time of disclosure or within ten days thereafter is designated as confidential (or like designation) and including:

(i) computer programs in any format whatsoever including the object and source therefor, all related documentation, any modifications to such computer programs and documentation and all draft or development versions of such programs, documentation or modifications;

(ii) personal information of Service Provider employees, subcontractors, suppliers, agents or representatives;

(iii) information relating to the business or affairs of Service Provider including:

A. financial information, purchasing and cost information, price and cost data, price and fee amounts, margins and overheads and quoting, pricing and billing policies, practices, processes and procedures;

B. Service Provider forecasts, Service Provider future plans, Service Provider potential strategies, Service Provider budgets and Service Provider investment opportunities; and

C. marketing techniques, marketing and development plans, methods of obtaining business and business plans; and

(iv) information relating to Service Provider's products, services and business processes including information relating to:

A. research and development projects or plans;

B. information technology, business process or other infrastructures, environments, networks or security including architectures, configurations, topologies, products, logs, parameters and controls;

C. Service Provider**'s** business policies, practices, processes and procedures including all policies, practices, processes and procedures relating to security; and

D. Service Provider development tools, know-how, methodologies, templates, processes, technologies or algorithms;

whether communicated before or after the date hereof and whether provided or disclosed, directly or indirectly, by Service Provider or to which the Contractor obtains access, directly or indirectly, through Service Provider and including any such information disclosed by the Province. Service Provider Confidential Information includes documents, working papers, notes, observations, summaries, explanations or other material prepared by any person and derived from the Service Provider Confidential Information.

2. **Confidentiality**.

(a) **Protection.** The Contractor agrees to hold the Confidential Information in strict confidence, and agrees that it will not disclose, distribute or disseminate the Confidential Information, or documents or information derived therefrom, in any way to any third party. Without limiting the generality of the foregoing, the Contractor agrees that it shall treat such information as confidential and with a degree of care no less than the degree of care that the Contractor employs for the protection of its own confidential information of

a similar nature. The Contractor will not use the Confidential Information for its own benefit or the benefit of others, except in connection with the Business Purpose as expressly authorized in this Agreement.

(b) **Restriction.** The Contractor also agrees not to copy Confidential Information which is in documented form except with the written consent of the. Province and Service Provider. The Contractor shall not disclose or give access to the Confidential Information to any persons other than the Contractor's employees who have a need to know and are identified on Schedule A. Each such employee of the Contractor shall confirm that he or she has read this Agreement and agrees to be bound by the terms of this Agreement as though such employee were a party hereto and shall indicate such agreement in the manner set forth in Schedule A. Any failure of Contractor's employees to comply with the provisions of this Agreement shall be deemed to be a failure of the Contractor to comply with the provisions of this Agreement and the Contractor shall be liable to the Province and Service Provider in respect thereof.

(c) **Exception.** Section 2(a) (*Protection*) and Section 2(b) (*Restriction*) shall not prevent the Contractor from disclosing information that belongs to the Contractor or that the Contractor can reasonably demonstrate:

(i) was, at the time of disclosure to the Contractor, in the public domain;

(ii) after disclosure to the Contractor, is published or otherwise becomes part of the public domain through no fault of the Contractor;

(iii) was in the possession of the Contractor at the time of disclosure to the Contractor, and was not the subject of a pre-existing confidentiality obligation;

(iv) was disclosed independently to the Contractor by a third party (other than the Province) who, insofar as the Contractor was aware, was not subject to any confidentiality obligations in respect thereof, and in any event, provided that such information was not of a nature that had it been the confidential information of the Contractor, the Contractor would have required that it be kept confidential;

(v) was independently developed by the Contractor without the use of any Confidential Information; or

(vi) is disclosed with the prior written approval of the Province Confidential Information, and Service Provider, for the Service Provider Confidential Information, but only to the extent approved by those parties.

This Agreement shall not prevent the Contractor from disclosing Confidential Information which is required to be disclosed pursuant to the applicable law of Canada (including pursuant to a requirement of a governmental agency or law of Canada, or any governmental or political subdivision thereof), so long as the Contractor provides the Province and Service Provider with prompt written notice of such requirement and takes steps sufficient to allow the Province and Service Provider an opportunity to object to such disclosure. Any such disclosure pursuant to applicable law of Canada will only be to the extent legally required and only for the purpose of compliance with applicable law and not for any other purpose.

(d) **Disclosure to the Province.** Section 2(a) (*Protection*) and Section 2(b) (*Restriction*) shall not prevent the Contractor from disclosing Confidential Information to the Province and Service Provider in connection with the Business Purpose.

(e) **Notification of Unauthorized Use of Service Provider Confidential Information.** The Contractor shall (i) promptly notify the Province and Service Provider of any unauthorized possession, use or disclosure, or attempt to effect the same, of Confidential Information **("Unauthorized Disclosure"),** (ii) promptly furnish the Province and Service Provider with details of such Unauthorized Disclosure, and assist the Province and Service Provider in investigating or preventing any recurrence, (iii) cooperate with Service Provider in any litigation and investigation against third parties deemed necessary by Service Provider to protect the Service Provider Confidential Information, as such litigation or investigation is related to the Unauthorized Disclosure, and (iv) promptly use reasonable efforts to prevent a recurrence of any Unauthorized Disclosure.

3. **Return of Service Provider Confidential Information.** The Contractor shall be entitled to retain one copy of the Confidential Information and any working papers of the Contractor related thereto in its files, which Confidential Information shall continue to be subject to the provisions of this Agreement. Subject to the foregoing, upon the completion of the Business Purpose or at the request of the Province or Service Provider, the Contractor shall return all copies of the Province Confidential Information and the Service Provider Confidential Information to the Province and Service Provider, respectively, and all derivatives thereof, or, at the Province's option, with respect to the Province Confidential Information, or Service Provider with respect to the Service Provider Confidential Information, their own confidential information, the Contractor will certify in writing that all copies of the Confidential Information have been destroyed. The Contractor may return the Province Confidential Information and the Service Provider Confidential Information, or any part thereof, to the Province or Service Provider, respectively, at any time.

4. **No Warranty.** Neither the Province nor Service Provider makes any representation or warranty, express or implied, with respect to their Confidential Information and neither the Province nor Service Provider accepts responsibility for any expenses, losses, or actions incurred or undertaken by the Contractor as a result of the receipt or use of the Confidential Information.

5. **No Further Rights.** Nothing contained in this Agreement shall be construed as granting or conferring any rights by license or otherwise in the Confidential Information except as expressly provided herein.

6. **Injunctive Relief.** The Contractor acknowledges and agrees that the Confidential Information is the confidential, proprietary and trade secret information of Service Provider (or its subcontractors, suppliers or customers or of its or their affiliates) and the Province and that the unauthorized use or disclosure of the Service Provider Confidential Information or the Province Confidential Information could cause irreparable harm and significant injury to. Service Provider and the Province, respectively, for which neither Service Provider nor the Province would have no adequate remedy at law. Therefore, each of the Province and Service Provider shall have the right, in addition to any other rights they may have at law or in equity, to seek immediate injunctive relief enjoining any breach or potential breach of this Agreement by the Contractor. The Contractor hereby waives the necessity of the posting any form of bond relating to the issuance of injunctive relief.

7. **Media Releases.** No media releases, public announcements or disclosures relating to this Agreement, its subject matter or the Confidential Information shall be issued by the Contractor without the prior written approval of the Province and Service Provider.

8. **Miscellaneous**.

(a) Each of the parties hereto will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

(b) No delay or omission by the Province or Service Provider to exercise any right or power hereunder shall impair such right or power or be construed to be a waiver thereof. All remedies provided for in this Agreement shall be cumulative and in addition to and not in lieu of any other remedies available at law, in equity or otherwise.

(c) Any notices required by this Agreement shall be given in hand or sent by courier, to the applicable address set forth below the names of the parties on the signature page of this Agreement. Either party may from time to time specify as its address for purposes of this Agreement any other address upon giving written notice thereof to the other party.

(d) Subject to the express limitations set out in this Agreement, this Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

(e) The word "includes" and words derived from the word "include" are used for illustrative purposes only and are not meant to be limiting.

(f) This Agreement (i) is the complete and exclusive statement between the parties with respect to the protection of the confidentiality of the Confidential Information, (ii) supersedes all related discussions and other communications between the parties, (iii) may only be modified in writing by authorized representatives of the parties, and (iv) shall be governed by the laws of the Province of British Columbia.

(g) This Agreement may be signed in counterparts and each of such counterparts will constitute an original document and such counterparts, taken together, will constitute one and the same instrument.

IN WITNESS WHEREOF, Service Provider, the Province and the Contractor have each caused this Agreement to be signed and delivered as of the date first set forth above.

MAXIMUS CANADA SERVICES, INC.

_____
[Print Name of Contractor]

By:_____

Name:

Title:

By:_____

Name:

Title:

Name: Address: Attention: Telephone:	Name: Address: Attention: Telephone:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA,
as represented by the Minister of Technology, Innovation and Citizens' Services

By: _____
Name:
Title:

The Province of British Columbia
3rd Floor – 836 Yates Street
Victoria, British Columbia V8W 1X7

Attn: Executive Director, Service Delivery, Service BC

Telephone:

SCHEDULE A

Contractor employees granted access to Service Provider Confidential Information and Province Confidential Information

Designated Persons:

NAME	INITIALS
	(For the purpose of acknowledging that the Designated Person has read and understands the restrictions contained in the Agreement and agrees to be bound by such restrictions)
1. John Smith – ABC Inc.	_____

SCHEDULE 11

CONDITIONS OF USE OF PROVINCE MARKS AND OTHER COMMUNICATIONS

1. Condition of Use.

The display or use by the Service Provider of the Province Marks shall conform to the following, to the extent applicable to such display or use:

(a) the applicable provisions of this Agreement;

(b) the *Provincial Symbols and Honours Act*;

(c) any graphic standards provided by the Province from time to time, including the Visual Identity and Graphic Standards for B.C. Government Websites; and

(d) any relevant Province policies as directed by the Province in accordance with Section 12.4 *(Province's Right to Issue Directives)* of the Agreement.

2. Province Marks and Other Communications.

The Province hereby consents to the Service Provider providing, and the Service Provider shall provide, the Services under the Province Mark set forth below (or such other Province Marks or other communications or correspondence scripts, devices or procedures as may be requested by the Province from time to time through the Change Order Process), in accordance with Section 11.2 *(Use of Province Marks)* of the main body of the Agreement and this Schedule. For greater clarification, and notwithstanding the foregoing, the Service Provider shall also identify itself in all communications and correspondence with Clients and Stakeholders in the manner required pursuant to the provisions of the *Business Practices and Consumer Protection Act* (British Columbia) and any other instructions provided by the Province from time to time.

Forms of Communication

For the purposes of this Schedule, the forms of communication that may include the Province Marks, as used by the Service Provider in the provision of the Services, include:

(a) Outbound mail
(b) Outbound email
(c) Outbound text
(d) Mobility applications
(e) Web applications (chat)
(f) Greeting on inbound or outbound interactions
(g) Outbound fax
(h) Marketing materials
(i) Social media applications

Province Mark

For the purposes of this Schedule, the Province Mark approved for use by the Service Provider is the "ServiceBC Endorsed Mark":



SCHEDULE 12

GOVERNANCE

1. Purpose.

This **Schedule 12** (*Governance*) sets forth the overarching governance structure for the effective implementation and administration of the Agreement. The intent of the governance structure and processes is to create a symbiotic relationship, where the Parties have a shared interest in each other's success. As such, the Parties agree that:

a) interactions, processes, issues and decisions that occur within the governance structure will always be in alignment with achieving the Shared Vision, Guiding Principles and Objectives of the Parties set forth in the Agreement; and
b) the primary intention of the governance structure outlined herein is to enable decision making, improvements and problem solving at the lowest possible level of the governance structure.

2. Objectives of the Governance Structure.

The primary objectives of the governance structure set forth herein are to continually ensure that:

a) the value proposition derived from the Agreement is consistent with the expectations of the Province and the Service Provider;
b) the strategies and plans of the Province and the Service Provider impacting the Agreement are understood by all;
c) effective contract and service management processes exist, including change, problem and crisis management, request for service and contract amendment;
d) an effective relationship management process exists including communication, decision making, reporting, measurement, issue resolution and Dispute Resolution Process; and
e) the Agreement continues to provide a mutually recognized value proposition to the Province and the Service Provider throughout its Term.

Nothing in this Schedule nor any action or omission of the Parties pursuant to this Schedule shall alter or amend the Parties' respective responsibilities regarding the Services as set forth in the main body of this Agreement or any of the other applicable Schedules (including Attachments).

3. Participation in Governance Process.

The Province and the Service Provider agree that they will each utilize the governance structure in accordance with the provisions of this Schedule including by requiring its representatives to attend meetings and to participate in the activities of the committees of which they are members in accordance with this Schedule.

4. Vision and Structure for the Governance Framework.

The Province and the Service Provider have the responsibility to govern all aspects of the Agreement including the provision of the Services to the Province as contemplated under the Agreement. To meet this responsibility, the Province and the Service Provider will establish a tiered governance structure to ensure that the operational, functional and strategic aspects of the Services are addressed. The governance structure shall consist of an executive leadership level, with a three-tiered management structure below that level.

The diagram immediately below illustrates this tiered governance structure. The specific details associated with the roles and responsibilities, operations and representation for each tier in the governance structure are described in Section 5.



4.1 **Tiered Layer Structure**. The tiered structure relies on specific responsibilities for managing different aspects of the provision and receipt of the Services. Through vertical alignment between the upper management, mid-management, and day-to-day management team, the strategy, tactics and execution required to enable the Shared Vision and meet the Objectives of the Parties set forth in the Agreement are established. Each tier is responsible for examining and managing the relationship and business success through their tier. Each tier will also jointly ensure the relationship is not only focused on the tactical elements but also aligned with the Shared Vision and the Objectives of the Parties set forth in the Agreement.

4.2 **Peer-to-Peer Communication Alignment.** To support the flow of information and to help empower the Province and the Service Provider governance tiers, a model of direct communication through the appropriate contacts in each of the respective organizations will be used. At each tier, the concept of "2 in a box" will be utilized. This requires the Province and the Service Provider to designate respective individuals to support this horizontal integration between the Parties with frequent and close communication. Pairing is made at each of the governance structure tiers between the Parties, as described under each governance structure tier in Section 5.

The "2 in a box" concept described above means two representatives of the Parties (one for each Party) of equal status and authority are paired and will be responsible for reaching consensual decisions within their domain of control. Under this concept, each representative would solicit input from his or her stakeholders as required and for escalating when decisions cannot be reached.

4.3 **Identification of Working Groups.** The specific working groups required to support the operational execution of the Services will be determined jointly by the Parties as required and using this governance structure. Decision-making will remain with the Province and the Service Provider. Province Ministry representatives will be involved as needed.

4.4 **Authority and Decision Making**. The Parties agree that approval, decision, and issue management will be managed at the lowest possible tier within the governance structure. Any decision made by a governance committee will be:

a) within the mandate specified for and scope of authority delegated to that tier of governance;
b) made by the mutual consensus of the Province committee members on the one hand, and the Service Provider committee members on the other hand; and
c) binding upon the Parties (unless decided otherwise by a committee having authority to do so).

Decisions that extend beyond the mandate of the committee will be escalated to the next appropriate committee as indicated in this Schedule, and where no such committee is indicated, to the Executive Leadership Committee. All decisions made by the committees will be documented through the governance structure and recorded in meeting minutes. A notice of decision will be sent to all applicable governance committee members as well as to the committee in the next governance structure tier above. For clarity, for any approval to be an Approval, it must meet requirements for an Approval set out in **Schedule 1** (*Definitions*).

4.5 **Timing of Decisions.** The target cycle time to resolve issues or make decisions will mirror the communication cadence meeting frequency times by level and before escalation. When escalation is triggered, the next tier may resolve the escalation to completion or may provide further guidance back to the initial tier for further steps.

5. Governance Structure Committee Details.

5.1 Executive Leadership Committee.

5.1.1 Roles and Responsibilities. The Executive Leadership Committee will provide executive-level governance of the relationship and leadership by periodically reconfirming the outsourcing relationship and Shared Vision, clarifying accountabilities, addressing barriers, and resolving issues escalated by, or beyond the scope of the lower tiers. Key Executive Leadership Committee activities include:

a) identifying changes on the horizon;
b) providing overall sponsorship, vision and goals;
c) setting strategic direction and feedback regarding progress against the Objectives of the Parties set forth in the Agreement and overall performance;
d) granting approval of large transformation projects;
e) reviewing and approving recommendations from lower tiers as required;
f) reviewing and approving the Strategic Plan and Annual Operating Plans;
g) ratifying and recommending changes to the contract;
h) each Party's respective representative on such committee providing required Approvals in accordance with this Agreement, which, for clarity, must be provided in writing and in advance to be effective;
i) addressing escalated matters;
j) involvement in the Change Order Process as specified in Article 8 (Change Process) of the main body of this Agreement;
k) discussing strategies to leverage the relationship of the Parties through expansion and value growth; and
l) determining last actions toward resolving issues or decide to initiate the formal Dispute Resolution Process.

5.1.2 Composition. The Executive Leadership Committee will be represented by:

a) From the Service Provider: The President
b) From the Province: The Assistant Deputy Minister

Other employees, consultants, or advisors of the Province and the Service Provider may attend meetings of the Executive Leadership Committee at the invitation of either Party to the extent reasonably necessary to sufficiently address matters for discussion on the agenda of the Executive Leadership Committee. The Executive Leadership Committee may also invite guests and industry and government leaders to participate in such meetings to facilitate information exchange and increase the value of the strategies discussed.

5.1.3 Changes in Composition. Each of the Parties may from time to time change its respective representative on the Executive Leadership Committee by providing written notice to the other Party of such change. Notwithstanding such right to replace individuals, the Parties agree that such replacements shall be of a similar or greater authority unless otherwise agreed by the other Party.

5.1.4 Meetings. The meetings of the Executive Leadership Committee shall hold meetings or telephone or video conferences at least four times per Contract Year, with at least two of such meetings in each Contract Year being face-to-face meetings. The Executive Leadership Committee may meet more frequently, as the members of such committee may determine in their reasonable discretion.

During the Initial Transition Period, the Executive Leadership Committee shall meet every 6 weeks.

5.1.5 Special Meetings. Notwithstanding the foregoing, a member of the Executive Leadership Committee may call a special meeting to consider any relevant issue upon reasonable prior notice to the other member of the Executive Leadership Committee. Such notice shall set forth the matters to be discussed or determined at the special meeting. A special meeting of the Executive Leadership Committee, once called, shall be convened as soon as reasonably practical.

5.1.6 Decisions. In accordance with Section 4.4, decisions of the Executive Leadership Committee will be made, to the extent possible, by consensus. Where consensus cannot be achieved the Parties agree to commence the formal Dispute Resolution Process outlined in the Agreement.

5.1.7 Rules of Procedure and Protocols. In addition to the provisions of this **Schedule 12** (*Governance)* and subject to the provisions of the Agreement, the Executive Leadership Committee may develop its own rules of procedures and protocol.

5.1.8 Committees. The Executive Leadership Committee shall have the discretion to form a joint committee for any purpose it deems appropriate, taking into consideration its mandate and any applicable terms, conditions or restrictions set out in the Agreement.

5.2 **Operations and Expansion Leadership Committee.**

5.2.1 Roles and Responsibilities. The Operations and Expansion Leadership Committee will provide management oversight of the relationship; address issues escalated by lower governance structure tiers as required and set the strategy necessary to implement the vision provided by the Executive Leadership Committee. Key Operations and Expansion Leadership Committee activities include:

a) providing direction regarding service delivery;
b) monitoring progress of the outsourcing relationship and scope of work, including continuously assessing how the Parties are working together and planning and implementing steps to improve their relationship;
c) monitoring service quality;
d) setting continuous innovation and implementation priorities;
e) setting strategy of business development (Service Expansion) activities;
f) identifying any systemic contractual or management issues;
g) managing/guiding the preparation of the Strategic Plan, the Annual Operating Plans and Risk Registers;
h) each Party's respective representative on such committee providing required Approvals in accordance with this Agreement, which, for clarity, must be provided in writing and in advance to be effective;

i) identifying, recommending and managing impending changes and managing the Change Order Process, including involvement in the Change Order Process as specified in Article 8 (Change Process) of the main body of this Agreement;

j) identifying and addressing potential areas of conflict; resolving any escalated conflicts or other concerns/issues;

k) continuously looking for new opportunities to deliver business value; and

l) reviewing and actioning issues escalated from the Operations and Expansion Management Team. Further escalating unresolved issues as required.

5.2.2 Composition. The Operations and Expansion Leadership Committee will be represented by:

a) From the Service Provider: Executive Lead

b) From the Province: Executive Director

Other employees, consultants, or advisors of the Province and the Service Provider may attend meetings of the Operations and Expansion Leadership Committee at the invitation of either Party to the extent reasonably necessary to sufficient address matters for discussion on the agenda of the Operations and Expansion Leadership Committee. The Operations and Expansion Leadership Committee may also invite guests and industry and government leaders to participate in such meetings to facilitate information exchange and increase the value of the strategies discussed.

5.2.3 Changes in Composition. Each of the Parties may from time to time change its respective representative on the Operations and Expansion Leadership Committee by providing written notice to the other Party of such change. Notwithstanding such right to replace individuals, the Parties agree that such replacements shall be of a similar or greater authority unless otherwise agreed by the other Party.

5.2.4 Meetings. The meetings of the Operations and Expansion Leadership Committee shall hold meetings or telephone or video conferences on a monthly basis, with at least six of such meetings in each Contract Year being face-to-face meetings. The Operations and Expansion Leadership Committee may meet more frequently, as the members of such committee may determine in their reasonable discretion.

During the Transition period, the Operations and Expansion Leadership Committee shall meet on a weekly basis.

5.2.5 Special Meetings. Notwithstanding the foregoing, a member of the Operations and Expansion Leadership Committee may call a special meeting to consider any relevant issue upon reasonable prior notice to the other member of the Operations and Expansion Leadership Committee. Such notice shall set forth the matters to be discussed or determined at the special meeting. A special meeting of the Operations and Expansion Leadership Committee, once called, shall be convened as soon as reasonably practical.

5.2.6 Rules of Procedure and Protocols. In addition to the provisions of this **Schedule 12** (*Governance)* and subject to the provisions of the Agreement, the Operations and Expansion Leadership Committee may develop its own rules of procedures and protocol.

5.3 **Operations and Expansion Management Team.**

5.3.1 Roles and Responsibilities. The Operations and Expansion Management Team develops the specific tactics required to execute the vision and strategy provided by the Executive Leadership and Operations and Expansion Leadership Committees, respectively. The Operations and Expansion Management Team provides day to day operational oversight of the Services and will be the first point of escalation for any issues not able to be resolved within the working groups. Key activities of the Operations and Expansion Management Team include:

a) ensuring execution of operations to meet defined goals;
b) ensuring operational guidelines, process maps and procedures are aligned with the tactics required to execute the vision and strategy of the higher governance structure tiers;
c) implement, manage and continuously looking for new opportunities to deliver business value and drive continuous improvement and increased quality of Services;
d) create an operational-level Risk Register which will be integrated into the Agreement Risk Register;
e) each Party's respective representative on such team providing required Approvals in accordance with this Agreement, which, for clarity, must be provided in writing and in advance to be effective;
f) involvement in the Change Order Process as specified in Article 8 (Change Process) of the main body of this Agreement;
g) reviewing performance against metrics and developing plans to meet goals;
h) execute business development (Services Expansion) activities, including seeking out, assessing and driving expansion efforts; and
i) reviewing any action issues escalated from the working groups. Further escalate unresolved issues as required.

5.3.2 Composition. The Operations and Expansion Management Team will be represented by:

a) From the Service Provider: Operations Lead
b) From the Province: Director Contact Centres

Other employees, consultants, or advisors of the Province and the Service Provider may attend meetings of the Operations and Expansion Management Team at the invitation of either Party to the extent reasonably necessary to sufficient address matters for discussion on the agenda of the Operations and Expansion Management Team. The Operations and Expansion Management Team may also invite guests and industry and government leaders to participate in such meetings to facilitate information exchange and increase the value of the strategies discussed.

5.3.3 Changes in Composition. Each of the Parties may from time to time change its respective representative on the Operations and Expansion Management Team by providing written notice to the other Party of such change. Notwithstanding such right to replace individuals, the Parties agree that such replacements shall be of a similar or greater authority unless otherwise agreed by the other Party.

5.3.4 Meetings. The meetings of the Operations and Expansion Management Team shall hold meetings or telephone or video conferences on a bi-weekly basis, with at least 50% of such meetings in each Contract Year being face-to-face meetings. The Operations and Expansion Management Team may meet more frequently, as the members of such team may determine in their reasonable discretion.

During the Initial Transition Period, the Operations and Expansion Management Team shall meet on a weekly basis.

5.3.5 Special Meetings. Notwithstanding the foregoing, a member of the Operations and Expansion Management Team may call a special meeting to consider any relevant issue upon reasonable prior notice to the other member of the Operations and Expansion Management Team. Such notice shall set forth the matters to be discussed or determined at the special meeting. A special meeting of the Operations and Expansion Management Team, once called, shall be convened as soon as reasonably practical.

5.3.6 Rules of Procedure and Protocols. In addition to the provisions of this **Schedule 12** (*Governance)* and subject to the provisions of the Agreement, the Operations and Expansion Management Team may develop its own rules of procedures and protocol.

5.4 **Transition Management Team.**

5.4.1 Roles and Responsibilities. The Transition Management Team develops the specific tactics required to execute the vision and strategy provided by the Executive Leadership and Operations and Expansion Leadership Committees, respectively. The Transition Team is the day-to-day operational management of any Transition and will be the first point of escalation for any issues not able to be resolved within the working groups. Key activities of the Transition Management Team include:

a) ensuring execution of Transition activities to meet defined goals;
b) ensuring operational guidelines, process maps and procedures are aligned with the tactics required to execute the vision and strategy of the higher governance structure tiers;
c) implementing, managing and continuously looking for new opportunities to deliver business value and drive continuous improvement and increased quality of Services;
d) creating Transition Risk Registers;
e) reviewing performance against metrics and developing plans to meet goals;
f) engaging with Province Ministries directly impacted by a Transition;
g) executing business transformation and Transition activities, including seeking out, assessing and driving expansion efforts; and
h) reviewing any action issues escalated from the working groups. Further escalate unresolved issues as required.

5.4.2 Composition. The Transition Management Team will be represented by:

a) From the Service Provider: Transition Lead
b) From the Province: SBC Director responsible for Transitions

Other employees, consultants, or advisors of the Province and the Service Provider may attend meetings of the Transition Management Team at the invitation of either Party to the extent reasonably necessary to sufficient address matters for discussion on the agenda of the Transition Management Team. The Transition Management Team may also invite guests and industry and government leaders to participate in such meetings to facilitate information exchange and increase the value of the strategies discussed.

5.4.3 Changes in Composition. Each of the Parties may from time to time change its respective representative on the Transition Management Team by providing written notice to the other Party of such change. Notwithstanding such right to replace individuals, the Parties agree that such replacements shall be of a similar or greater authority unless otherwise agreed by the other Party.

5.4.4 Meetings. The meetings of the Transition Management Team shall hold meetings or telephone or video conferences on a weekly basis, with at least 50% of such meetings in each Contract Year of the Agreement being face-to-face meetings. The Transition Management Team may meet more frequently, as the members of such team may determine in their reasonable discretion.

5.4.5 Special Meetings. Notwithstanding the foregoing, a member of the Transition Management Team may call a special meeting to consider any relevant issue upon reasonable prior notice to the other member of the Transition Management Team. Such notice shall set forth the matters to be discussed or determined at the special meeting. A special meeting of the Operations and Expansion Management Team, once called, shall be convened as soon as reasonably practical.

5.4.6 Rules of Procedure and Protocols. In addition to the provisions of this **Schedule 12** (*Governance)* and subject to the provisions of the Agreement, the Transition Management Team may develop its own rules of procedures and protocol.

6. Communication Principles.

6.1 General. The Parties agree that effective communications are a key component to the success of the arrangement with respect to the Agreement. The communications approach will:

a) provide clear direction to the Parties as to the responsibilities and key processes for comprehensive communications;
b) outline the communication process and activities that will occur during the Term;
c) identify the respective Parties responsible for each type of communication;
d) recognize the importance of mutual understanding and respect for the lines of authority of each Party; and
e) be consistent with the terms of this Agreement.

6.2 Communications between Parties. Communication between the Parties will take place at various levels within the respective organizations through formal, informal, and ad hoc arrangements and will:

a) ensure knowledge of relevant activities, issues, and problems is shared by both Parties;
b) ensure proper discussion, resolution and escalation of issues;
c) ensure reasonable responses are provided within reasonable timeframes; and

d) facilitate issue resolution at the lowest appropriate level of the governance structure.

6.3 Written Communications. The Parties agree that, at a minimum, those communications that have the potential to result in changes related to policy, scope, Agreement terms, or approvals must be in writing and otherwise be in accordance with the terms of the Agreement.

6.4 Direction of the Province. The Service Provider will follow the Province Policies and direction regarding development, content and distribution of verbal and written communications in connection with this Agreement with the Province, the Province Ministries and Province Business Areas, the Citizens, the public and the media.

6.5 Resources. Both Parties will:

a) provide the appropriate staff resources necessary to communicate on a regular basis through routine meetings and written documentation of meeting outcomes as required; and
b) work collaboratively to ensure that any review and approval processes do not unduly delay development, completion or distribution of communications.

6.6 Communications between the Province and the Service Provider. The Parties will engage in ongoing communication with each other to establish communication roles, including defining authority, functions and process, all governed in accordance with the terms set forth in this Schedule.

6.7 Public Communications. The Parties will jointly develop a communication strategy to deal with the public. The Parties acknowledge and agree that press releases issued individually or jointly shall be issued in accordance with Section 11.4 (*Publicity*) of the main body of this Agreement. The Service Provider will refer any inquiries from the public or governmental bodies related to this Agreement to the Province's Authorized Representative.

6.8 Media Contact. The Service Provider will not initiate or respond to calls from the media concerning any aspect of the Agreement or the Services, unless specifically authorized by the Province in writing to do so. The Service Provider will immediately refer any calls from the media to the Province's Authorized Representative, or as otherwise directed by the Province.

7. Meeting Protocol.

7.1 The Parties acknowledge and agree that, to the extent possible, all governance meetings should follow the following standard business practices for meeting etiquette:

a) To the extent possible, the members of each governance committee or team will establish a pre-determined schedule of meeting dates;
b) any unscheduled meeting dates and changes to any scheduled or unscheduled meeting dates, will be communicated as far in advance as possible;
c) meeting agendas and meeting materials will be established by the members of each committee or team in advance of the meeting, and will be circulated amongst the

members with as much prior notice as reasonably possible, but in any event not less than 24 hours before any meeting;

d) upon agreement between the members of a governance committee or team, meetings of that committee or team can be held in-person, by video conference, telephone conference or any other communication facility agreed upon by both members; and

e) minutes of all meetings of each committee or team will be taken in a manner agreed upon by the committee or team members, and circulated to the members as soon as practical following the conclusion of a meeting but in any event within five Business Days after the meeting. The members of the committee or team will have five Business Days to provide their comments on the minutes or object to the minutes in writing. Where no comments or objection is received within the five Business Day period, the minutes will be deemed to be accepted.

8. Annual Adjustments

8.1 The Parties agree that the requirements and most desirable governance structure may change over the Term of the Agreement. As part of the Annual Operating Plan process, the Parties will jointly review the governance model set out in this Schedule to determine if any changes are required. Any mutually agreed changes will be formally documented in a Change Order or Amendment.

SCHEDULE 13

KEY POSITIONS

The following Service Provider positions are designated as Key Positions and are subject to the provisions of Article 12 (*Relationship Management and Human Resources*) of the main body of this Agreement:

1. Executive Lead (for reference, the initial incumbent will be Paul Simunkovic);
2. Operations Lead (the initial incumbent to be determined); and
3. Transition Lead (for reference, the initial incumbent will be Cindy McMath).

The responsibilities for the Key Positions are defined below:

(a) *Executive Lead* – is responsible for the overall Solution and Services. This role is a decision maker that can represent the interests of the Service Provider including supporting business development activities.

(b) *Operations Lead* - is responsible for oversight of the Contact Centre operations and execution of the Agreement. This role is also the point of contact for any operational issues, including but not limited to, quality assurance, citizen complaints, technical issues and support business development activities.

(c) *Transition Lead* – is responsible for as the primary interface to the Province on all transition related activities and is expected to have extensive experience in managing large complex contact centre implementations. This role will also support organizational change management and transformation, including support to business development activities.

In accordance with Section 12.6 (*Key Positions*) of the main body of this Agreement, the Service Provider will use all reasonable efforts to minimize turnover of Personnel (or External Personnel, if applicable) in Key Positions. Notwithstanding the foregoing, the Service Provider and the Province recognize that for certain Services (in order to ensure the success of the delivery of such Services or otherwise) the Province may require that the Service Provider maintain certain Personnel in their Key Position for a minimum initial period of time, as determined by the Service Provider and the Province.

SCHEDULE 14

SUBCONTRACTORS

Subcontractors	Subcontracted Services
Zayo Group (formerly Allstream)	Data centre facilities, data, wide area network and TTY/TDD services.
WebText	SMS gateway service.
TBD	On demand translations services (as described in **Schedule 6** (*Language of Services*).

SCHEDULE 15

REPORTING REQUIREMENTS

1. Purpose of Schedule.

Without limiting any additional reporting requirements set out elsewhere in this Agreement, this Schedule outlines the general reporting requirements for the Service Provider during the Term of this Agreement.

2. General.

At all relevant times during the Term, the Service Provider will prepare or cause to be prepared and will provide to the Province in accordance with the provisions of this **Schedule 15** (*Reporting Requirements*) all reports and other deliverables as contemplated herein. The Service Provider will prepare and provide to the Province updates of such reports at such times specified in this Schedule and at such other times as requested by the Province in accordance with the Change Order Process.

3. Guiding Principles to Reporting.

The Service Provider acknowledges and agrees that the Province expects the reporting and informational requirements of the Province under this Agreement will evolve during the Term, that reporting and informational requirements are intended to achieve the best value for reports to the Province in light of the circumstances applicable from time to time. Ordinary course changes to reporting and informational requirements, where the work effort for the Service Provider may be accommodated in the ordinary course of the Services, will not require a formal Change Request and will not increase the Fees; all other changes to the reporting and informational requirements will require a Change Order. In addition, the Service Provider will, from time to time, as the circumstances may render necessary or desirable, provide suggestions to the Province as to improvements, enhancements and changes to the reporting and informational requirements, for the Approval of the Province.

The Service Provider acknowledges and agrees that all planning, budgeting and reporting required pursuant to the terms of this Agreement will:

(a) be in accordance with specific requirements as to timing, format and content set out herein;

(b) be timely, comprehensive and will contain accurate and complete information;

(c) contain such information as is reasonably necessary to allow the Province to fully monitor the Service Levels and the provision of the Services;

(d) be consistent with plans and budgets from time to time adopted by the Province; and

(e) updated from time to time as set forth in this **Schedule 15** (*Reporting Requirements*) and this Agreement (including, for greater certainty the other Schedules to this Agreement).

4. Production of Standard Reports by Service Provider.

The Service Provider will provide reports as required:

(a) by this Agreement;

(b) by any Change Order;

(c) as set out in Section 9 below; and

(d) in conjunction with Service Level reporting.

5. Monthly Reporting – Change Orders Log Report.

With respect to Change Orders, the Service Provider will submit a Change Order log report to the Province by the tenth Business Day of each calendar month. The log report will: (a) provide status updates that reflect the progress, issues and resolutions relating to Change Order active in the prior month; (b) in a format to be agreed to by the Parties; and (c) will reflect the progress, issues and resolutions relating to Change Orders active in the prior month.

6. Annual Operating Plan.

The Service Provider will, with the co-operation and assistance of the Province, prepare and provide to the Province the Annual Operating Plan in accordance with Sections 14.5 (*Annual Operating Plan*) to 14.7 (*Annual Confirmation*), inclusive, of the main body of this Agreement.

7. Support for Production of Province Specific Reports.

The Service Provider will, to the extent requested by the Province, produce reports or provide information that the Province requires to meet or support the Province's reporting obligations in connection with this Agreement, including the following reporting obligations of the Province:

(a) Office of the Comptroller General reporting obligations as set out in relevant policies standards including:

(i) *Financial Administrative Act* (British Columbia), and

(ii) *Core Policy Manual* (includes budgeting forecast requirements);

(b) *Auditor General Act* (British Columbia) reporting obligations as set out in relevant policies standards;

(c) privacy reporting obligations as set out in related legal, regulatory and policy (e.g., *Freedom of Information and Protection of Privacy Act* (British Columbia)) including:

(i) adherence to security standards,

(ii) freedom of information reporting requirements;

(d) CIO policies and standards;

(e) Risk Management Branch polices and standards;

(f) reporting on the success of the relationship and realization of benefits for the following:

(i) Treasury Board;

(ii) Cabinet;

(iii) Office of the Auditor General;

(iv) Office of the Comptroller General;

(v) the public;

(vi) the Ministry; and

(vii) the Executive Leadership; and

(viii) the Operations and Expansion Leadership.

8. Required Reports, Plans and Other Documentation.

The Service Provider will prepare and submit the reports described in the tables below to the Province on the frequency specified for each report in the applicable table below. If a report specified in a table below is a data source for a Performance Measure or a KPI or both, the Performance Measures and KPIs for which it is a data source are specified.

Initial Transition

Report Name	Report Contents	Frequency	PM	KPI
Detailed Initial Transition Plan Status Report	This report is described in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*). Provides status of key deliverables against the timelines in the Detailed Initial Transition Plan as of the reporting date. Provides information on adherence to schedule, scope, quality, risk, issues, actions, decisions and changes as they relate to the Initial Transition.	Bi-weekly, delivered 2 Business Days following the end of the period throughout the Initial Transition.	PM#3, PM#6	N/A
Transition Success Report – Initial Transition: Initial Draft	This is the initial draft of the Transition Success Report – Initial Transition described in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*). The format for this report is described in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*) and the report must include placeholders for reporting the status of the following: • UAT results with respect to the Technology components; • Contact Centre technology; • Knowledge Management; • E-mail Interactions; • Voice Interaction; and • Appropriate staffing levels.	Once, by January 31, 2017.	PM#1, PM#2	N/A

Report Name	Report Contents	Frequency	PM	KPI
Transition Success Report – Initial Transition: Ongoing Updates	Monthly progress updates of the Transition Success Report – Initial Transition. Format as defined in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*), which includes the status (to date) of the following: • UAT results with respect to the Technology Components; • Contact Centre technology; • Knowledge Management; • E-mail Interactions; • Voice Interaction; and • Appropriate staffing levels.	Monthly, within 5 Business Days following the end of the month for each month from January through May 2017.	PM#1, PM#2	N/A
Transition Success Report: Hand-Over Decision Point	The final pre-Hand-Over update to the Transition Success Report – Initial Transition, which shall be the version used by the Province to determine Operations Go Live Approval in accordance with **Schedule 2** (*Initial Transition Plan and Baseline Requirements*). Format as defined in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*), which includes the readiness of the following key deliverables: • UAT results with respect to the Technology Components; • Contact Centre technology; • Knowledge Management; • E-mail Interactions; • Voice Interaction; and • Appropriate staffing levels.	Once, by no later than June 15, 2017.	PM#1, PM#2	N/A
Transition Deficiencies Log	As described in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*). In connection with obtaining Operations Go Live Approval, the Service Provider will deliver a Transition Deficiencies Log in accordance with **Schedule 2** (*Initial Transition Plan and Baseline Requirements*).	Once, not later than June 15, 2017.	PM#1, PM#2, PM#6	KPI#1

Reporting Requirements – Initial Transition Stabilization

Report Name	Report Contents	Frequency	PM	KPI
Transition Success Report – Initial Transition: Post Hand-Over	The post Hand-Over update to the Transition Success Report – Initial Transition, which will include the final update on the Initial Transition Services up to and including the Hand-Over Date. Content and format as specified in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*).	Once, by no later than July 14, 2017.	PM#1, PM#2	N/A
Transition Deficiencies Log: Post Hand-Over	As described in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*). The Transition Deficiencies Log for the Initial Transition will be updated and delivered to the Province to measure progress on the Fixing of Deficiencies.	Monthly, to be delivered to the Province on the 10th Business Day of July, August and September, 2017.	PM#1, PM#2, PM#6	KPI#1
Transition Success Report – Initial Transition: Post Stabilization	The update to the Transition Success Report – Initial Transition, which will provide the final summary of the Initial Transition Services. This report will be delivered to the Province following the end of the Stabilization Period after the Initial Transition. Content and format as specified in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*).	Once, by no later than October, 20, 2017.	PM#1, PM#2	N/A
Transition Deficiencies Log: Post Stabilization	As described in **Schedule 2** (*Initial Transition Plan and Baseline Requirements*). This is the final update to the Transition Deficiencies Log for the Initial Transition following Stabilization for the purpose of measuring the progress of Fixing of Deficiencies through the Stabilization Period.	Once, not later than October 20, 2017.	PM#1, PM#2, PM#6	KPI#1
Event Survey Scorecard	Reports on the satisfaction of the Parties with the relationship, commitment and performance of the Province and the Service Provider during Initial Transition. The first survey will measure from the Effective Date to the date of the first survey. The second survey will measure from the first survey to the end of Stabilization.	Twice – once at the end of the Initial Transition, and once at the end of Stabilization.	PM #4, PM #5	N/A

Other Transition (Change)

Report Name	Report Contents	Frequency	PM	KPI
Detailed Transition Plan Status Report	This report is described in **Schedule 3** (*Transition Methodology, Terms and Remedies*). Provides status of key deliverables against the timelines in the Detailed Transition Plan as of the reporting date. Provides information on adherence to schedule, scope, quality, risk, issues, actions, decisions and changes as they relate to the Transition.	Bi-weekly, delivered 2 Business Days following the end of the period throughout Transition.	N/A	N/A
Transition Success Report: Initial Draft	This is the initial draft of the Transition Success Report for a Transition. The content and format of this report is described in **Schedule 3** (*Transition Methodology, Terms and Remedies*).	Once, within 30 days of the start of the Transition.	N/A	N/A
Transition Success Report: Ongoing Updates	Monthly progress updates of the Transition Success Report. Format and content as defined in **Schedule 3** (*Transition Methodology, Terms and Remedies*).	Monthly, by 5 Business Days following the end of the month for each month throughout Transition.	N/A	N/A
Transition Success Report: Go-Live Decision Point	The final pre-go-live update to the Transition Success Report, which shall be the version used by the Province to determine Transitioned Services Go Live Approval in accordance with in **Schedule 3** (*Transition Methodology, Terms and Remedies*). Format and content as defined in **Schedule 3** (*Transition Methodology, Terms and Remedies*).	Once, by no later than 15 days prior to the Transitioned Services Go Live Date	N/A	N/A
Transition Deficiencies Log	As described in **Schedule 3** (*Transition Methodology, Terms and Remedies*). In connection with obtaining Transitioned Services Go Live Approval, the Service Provider will deliver a Transition Deficiencies Log in accordance with **Schedule 3** (*Transition Methodology, Terms and Remedies*).	Once, not later than 15 days prior to the Transitioned Services Go Live Date	N/A	KPI 1

Other Transition (Change) Stabilization

Report Name	Report Contents	Frequency	PM	KPI
Transition Success Report: Post Go Live	The post go live update to the Transition Success Report, which will include the final update on the Transition up to and including the Transitioned Services Go Live Date. Format as specified in **Schedule 3** (*Transition Methodology, Terms and Remedies*).	Once, by no later than 15 days following the Transitioned Services Go Live Date	N/A	N/A
Transition Deficiencies Log: Post Go Live	As described in **Schedule 3** (*Transition Methodology, Terms and Remedies*). The Transition Deficiencies Log for the Transition will be updated and delivered to the Province to measure progress on the Fixing of Deficiencies.	Monthly, to be delivered to the Province on the 10th Business Day each month during Transition.	N/A	KPI 1
Transition Success Report: Post Stabilization	The update to the Transition Success Report, which will provide the final summary of the Transition. This report will be delivered to the Province following the end of the Stabilization Period after the Transition. Content and format as specified in **Schedule 3** (*Transition Methodology, Terms and Remedies*).	Once, by no later than 15 Business Days following the end of Stabilization	N/A	N/A
Transition Deficiencies Log: Post Stabilization	As described in **Schedule 3** (*Transition Methodology, Terms and Remedies*). This is the final update to the Transition Deficiencies Log for the Transition following Stabilization for the purpose of measuring the progress of Fixing of Deficiencies through the Stabilization Period.	Once, not later 15 Business Days following the end of Stabilization.	N/A	KPI 1
Event Survey Scorecard	Reports on the satisfaction of the Parties with the relationship, commitment and performance of the Province and the Service Provider during the Transition. The first survey will measure from start of the Transition to the date of the first survey; the second survey will measure from the first survey to the end of Stabilization.	Twice – once at the end of Transition, and once at the end of Stabilization.	N/A	N/A

Ongoing Operations

Report Name	Report Contents	Frequency	PM	KPI
Detailed Telephony Reports (program)	Average Speed of Answer (ASA), telephone service factor (TSF), abandonment rate by interval (indicator of caller patience curve), received calls, maximum wait time, answered calls at daily and monthly levels, and languages. The monthly reports will provide data specific to the Business Days from the first of the month to the end of the month (e.g. January reports include all Business Days from January 1 – January 31). Daily reports will provide data for Business Days during Business Hours.	Monthly, within 10 Business Days following the end of the month.	PM#12	KPI#2, KPI#3, KPI#4, KPI#5
Detailed Telephony Reports (agent)	The following agent-specific reports are available at the workgroup level: Average Handle Time, Average Talk Time, Average Time on Hold, Average Wrap Time. The monthly reports will provide data specific to the Business Days from the first of the month to the end of the month (e.g. January reports include all Business Days from January 1 – January 31).	Monthly, within 10 Business Days following the end of the month.	N/A	KPI#3, KPI#4
Telephony Usage Reports	Statistics on system utilization including System uptime, system capacity usage, and call arrival patterns.	Monthly, within 10 Business Days following the end of the month.	PM#11	KPI#8
Detailed Reports – Channels other than Telephony	Reports will be provided for channels other than telephony that provide a similar level of detail to that in the telephony reports for program, agents, and usage.	Monthly, within 10 Business Days following the end of the month.	N/A	N/A

Report Name	Report Contents	Frequency	PM	KPI
Agent Quality Assurance Report	Number of quality checks (sample size), 'universe' of data, overall program Quality score (%), by program area. Reporting by error type, procedural policy and call handling, etc. Agent Quality Assurance Reporting will span all Channels. The monthly reports will provide data specific to the Business Days from the first of the month to the end of the month (e.g. January reports include all Business Days from January 1 – January 31).	Monthly, within 10 Business Days following the end of the month.	N/A	KPI#7
Trending Reports	6 month+ trending of incoming work and completions. Includes outstanding tickets, trending ticket volumes, call volumes, average Speed to Answer, and telephone service factor. The date range will be a 13 month rolling period.	Monthly, within 10 Business Days following the end of the month. Monthly reporting to commence in the 7th month after the Hand-Over Date.	N/A	N/A
IVR Report	Interactions handled by the IVR, by program area, and the transfer rate to the relevant queues. The monthly reports will provide data specific to the Business Days from the first of the month to the end of the month (e.g. January reports include all Business Days from January 1 – January 31).	Monthly, by 10 Business Days following the end of the month.	N/A	N/A
Escalation Tracking Report	Category, count, and Business Days aged of escalation tickets. The monthly reports will provide data specific to the Business Days from the first of the month to the end of the month (e.g. January reports include all Business Days from January 1 – January 31).	Monthly, within 10 Business Days following the end of the month.	N/A	KPI#10, KPI#11
Complaint Tracking Report	Category, count, and Business Days aged of complaint tickets. The monthly reports will provide data specific to the Business Days from the first of the month to the end of the month (e.g. January reports include all Business Days from January 1 – January 31).	Monthly, within 10 Business Days following the end of the month.	N/A	KPI#10, KPI#11

Report Name	Report Contents	Frequency	PM	KPI
Volumes Report	Volume of interactions received by Service (Informational Services vs. Transactional Services) including related business area, channel and wrap codes. The monthly reports will provide data specific to the Business Days from the first of the month to the end of the month (e.g. January reports include all Business Days from January 1 – January 31).	Monthly, within 10 Business Days following the end of the month.	N/A	N/A
Knowledge Base Report Card	Knowledge Article usage statistics including trends, rating, hits, and last usage date. The monthly reports will provide data specific to the Business Days from the first of the month to the end of the month (e.g. January reports include all Business Days from January 1 – January 31).	Monthly, within 10 Business Days following the end of the month.	PM#19	KPI#6
Knowledge Base Currency Report	Knowledge article aging report including review, updated, expired, and retired. The monthly reports will provide data specific to the Business Days from the first of the month to the end of the month (e.g. January reports include all Business Days from January 1 – January 31).	Monthly, within 10 Business Days following the end of the month.	PM#19	KPI#9
Citizen Satisfaction Surveys Report	Number of surveys completed, % survey data to completed action, by channel (IVR, email, SMS or telephone – to include additional channels as they are added), rating by survey area (including % of surveys indicating successful first call resolution (FCR)), and significant additional comments reviewed or presented. The monthly reports will provide data specific to the Business Days from the first of the month to the end of the month (e.g. January reports include all Business Days from January 1 – January 31).	Monthly, within 10 Business Days following the end of the month.	PM#7, PM#8, PM#9	N/A

Report Name	Report Contents	Frequency	PM	KPI
Resolution Statistics Report	Number of calls by repeat callers (and routed program area, within a specific time period as a potential leading indicator for FCR), institutional numbers of all Province Ministries and Business Areas (e.g. Insurance Corporation of BC/Health Insurance BC) to be identified, transfer totals and rate, by transfer area, average handle time (AHT), Service Desk tickets created, by assigned 'Group', Business Days aged for tickets, including number of outstanding tickets at month end number resolved at month end, tickets transferred to (Province), Channel(s). The monthly reports will provide data specific to the Business Days from the first of the month to the end of the month (e.g. January reports include all Business Days from January 1 – January 31).	Monthly, within 10 Business Days following the end of the month.	PM#13, PM#14, PM#15, PM#16, PM#17, PM#19	KPI#10, KPI#11
Service Expansion Business Development Pipeline Report	Measures the number of Client Ministries / Client Ministries' Business Areas that are in active discussions with the Parties for expansion opportunities. Each opportunity will be provided with a probability score agreed by the Parties. The monthly report will provide data specific to the Business Days from the first of the month to the end of the month (e.g. January reports include all Business Days from January 1 – January 31).	Monthly, within 10 Business Days following the end of the month.	PM#20, PM#21, PM#22	KPI#12
Continuous Improvement Identified Opportunities Report	As described in Section 4.3 of Schedule 5 (*Scope of Services*), this report details the number of Improvement Ideas that have been raised and/or implemented within the quarter being measured. The quarterly reports will provide data specific to the Business Days from the first of the quarter to the end of the quarter (e.g. Calendar Year Quarter 1 includes data from January 1 – March 31).	Quarterly, no later than 10 Business Days following the end of the quarter, for the duration of the Agreement	PM#23	KPI#13, KPI#14

Report Name	Report Contents	Frequency	PM	KPI
Operational Survey Scorecard	Reports on the satisfaction of the Parties with the relationship, commitment and performance of the Province and the Service Provider during ongoing operations. As described in detail in **Schedule 9** (*Performance Management Framework*).	Semi-Annually, during the Term after the Hand-Over Date.	PM#10	N/A
Monthly Master Performance Measures Report	A report, in a form and format Approved by the Province, containing: (A) for each Performance Measure and with respect to the immediately preceding calendar month, all data relating to such Performance Measure during the applicable month; (B) for each Performance Measure during the immediately preceding calendar month, details of the Service Provider's performance as measured against the Performance Standard and, if applicable, Performance Goal for that Performance Measure during the applicable month; (C) details of any Excusable Event that the Service Provider believes has impacted Performance Measures during the applicable month; and (D) any other information reasonably requested by the Province from time to time to determine the Service Provider's performance against the Performance Measures.	Monthly, within 10 Business Days following the end of the month.	N/A	N/A
Incident Report	This report sets details of an incident in connection with the Services that the Service Provider desires to report to the Province or the Province requires that the Service Provider report pursuant to Province Policies or Directives	Upon the occurrence of an applicable incident	N/A	N/A

Report Name	Report Contents	Frequency	PM	KPI
Client Report	This report will set out basic metrics for Province Ministries, including volumes, reasons for calling, Channel usage and CSAT Score (as defined in **Schedule 9** (*Performance Management Framework*).	Monthly, within 10 Business Days following the end of the month.	N/A	N/A
Performance Failure Report	As described in Section 13 of **Schedule 9** (*Performance Management Framework*)	As specified in Section 13 of **Schedule 9** (*Performance Management Framework*)	N/A	N/A
Spread Report	As described in **Schedule 17** (*Fees and Economic Model*)	As specified in Section 6 of **Schedule 17** (*Fees and Economic Model*)	N/A	N/A
BCP Testing Report	As described in Section 7 of **Schedule 21** (*Business Continuity*)	As specified in Section 7 of **Schedule 21** (*Business Continuity*)	N/A	N/A

SCHEDULE 16

RECORDS PROTOCOLS

This Schedule identifies the responsibilities among the Parties to meet the Records management requirements set out in Article 15 (*Maintenance of Records*) of the main body of the Agreement.

Province Records transferred to, created by, or in the Custody of the Service Provider will be managed in accordance with the Roles and Responsibilities Matrix below. Samples of Province Records that may be transferred to, created by, or in the Custody of the Service Provider are identified in the attached **Attachment A** to this **Schedule 16** (*Records Protocols*).

Any material amendments, modifications, or supplements to the practices and procedures identified in the Roles and Responsibilities Matrix below that impact the Service Provider's responsibilities under the Agreement, including to achieve compliance with respect to electronic records, will be implemented in accordance with the Change Order Process set out in Article 8 (*Change Process*) of the main body of the Agreement.

	ROLES AND RESPONSIBILITIES	SERVICE PROVIDER	PROVINCE
1.	Establish Province policies and standards for information management practices.		X
2.	Establish standards for the development of administrative records and operational records (for example ARCS for all administrative records and ORCS for operational records of the Province).		X
3.	Establish standards for secure and confidential destruction of records; monitor records destruction operations; identify inadequate procedures or processes.		X
4.	Establish recorded information management program; designate a records officer responsible for administering the program, including the implementation of Province policies and procedures for recorded information management.	X	
5.	Adopt and maintain recorded information management policies, including policies and procedures for the management of electronic records.	X	
6.	Propose records retention schedules and recommend final dispositions in consultation with the appropriate Province representatives (for example, the Government Records Service Branch).		X
7.	Provide Province approved information schedule documentation for applying retention periods and final dispositions of recorded information.		X

	ROLES AND RESPONSIBILITIES	SERVICE PROVIDER	PROVINCE
8.	Identify changes in the business process that may require the creation, addition or modification to Province records retention and/or information schedules.	X	
9.	Establish records management processes responsibilities for Personnel and External Personnel (e.g., classifying documents according to established schedules).	X	
10.	Maintain active files of recorded information electronically; use software that will enable transfer to the Province as required.	X	
11.	Maintain records scheduled for return to the Province separately from records of other clients.	X	
12.	Provide Service Provider training regarding recorded information management, new policies and procedures.	X	
13.	Provide training to Service Provider trainers regarding recorded information management, new policies and procedures.	X	X
14.	Provide a representative on Province records management corporate structure related to records management policy and procedures (for example, for the Province, the Ministry Records Officer Council, ARCS Review Committee and other cross-government committees).		X
15	Provide secure transfer of electronic records to the Province using compatible formats approved in writing by the Province.	x	
16	Secure disposal of electronic information in accordance with approved Province information schedules.	x	

ATTACHMENT A
(Schedule 16)

SAMPLES OF PROVINCE RECORDS

1. RECORDS TRANSFERRED TO THE SERVICE PROVIDER

1.1 Service Profiles/Service Descriptions.

(a) Initial content for the Knowledge Base that will used by Agents as of the Hand-Over Date; and

(b) Status of any Work-in-Progress Projects.

2. RECORDS CREATED BY THE SERVICE PROVIDER FROM AND AFTER THE SERVICES COMMENCEMENT DATE

2.1 Disaster Recovery Plans.

The Service Provider will create specific disaster recovery plans for the Province as part of the Services, as set out in **Schedule 5** (*Services*) and **Schedule 21** (*Business Continuity*).

2.2 Service Profiles/Service Descriptions.

(a) Documentation as set out in Section 6.9 of the main body of the Agreement; and

(b) Updates and improvements to the Knowledge Base, and any other material, documentation or manuals referred to **in Schedule 5** (*Services*).

2.3 System and Security Logs from the Supported Infrastructure.

The Service Provider will provide Records with respect to security, including log information, in accordance with the provisions of **Schedule 19** (*Security Schedule*).

3. SYSTEMS THAT PRODUCE RECORDS

3.1 Information Technology Incidents

Records of incident and problem diagnosis and resolution (break and fix data), and Records produced from the Change Order Process – to the extent Records are transferred to, created by, or in the Custody of the Service Provider.

3.2 Contact Centre Records

Records of Agents on an as and when required basis and as set out in **Schedule 15** (*Reporting Requirements*).

3.3 Service Provider Billing System

(a) Monthly invoices; and

(b) Records supporting billing.

3.4 Service Records

Any other Records referred to in **Schedule 5** (*Services*).

SCHEDULE 17

FEES AND ECONOMIC MODEL

1. General Principles.

The Parties acknowledge and agree as follows:

(a) This Schedule defines and describes the amounts and deal structure of the Fees, as well as the timing for payment of some Fees.

(b) The Province may be issued credits against Fees by the Service Provider including Fee Rebate Credits. If the Service Provider earns Excess Spread, the Service Provider will issue Fee Rebate Credits to the Province in accordance with a mechanism set out in this Schedule.

(c) The Service Provider may earn Performance Fees for achieving certain levels of performance measured by Performance Measures in accordance with **Schedule 9** (*Performance Management Framework*).

(d) This Schedule sets out the monthly Base Fee payments to be made by the Province to the Service Provider.

(e) The amounts of all Fees in this Schedule are exclusive of all Taxes payable by the Province under Section 16.4 (*Taxes*) of the main body of this Agreement, which shall be added to the invoices for any Fees invoiced in accordance with Section 16.4 (*Taxes*) of the main body of this Agreement.

(f) This Schedule also addresses, among other things, the following:

(i) audits with respect to Fees;

(ii) inflation adjustments;

(iii) termination for convenience fees; and

(iv) principles with respect to applying the Economic Model to determine the pricing of changes requested through the Change Order Process.

2. Definitions.

Capitalized terms used in this Schedule will have the meanings set forth in this Section 2. Capitalized terms not defined in this Schedule shall have the meanings set forth in **Schedule 1** (*Definitions*) or otherwise in this Agreement.

(a) **"Actual Costs"** mean the actual Costs incurred by the Service Provider during the Contract Year.

(b) "**Actual G&A**" means the total amount of general and administrative expenses actually incurred by the Service Provider and attributable to the provision of the Services. For

clarity, as set out in the Economic Model, the Base Fees are based on general and administrative expenses calculated at the fixed rate of s.17 of all Direct Costs.

(c) "**Actual Overhead**" means the total amount of overhead actually incurred by the Service Provider and attributable to the provision of the Services. For clarity, as set out in the Economic Model, the Base Fees are based on overhead calculated at the fixed rate of s.17 of all Direct Costs.

(d) **"Actual Inflation"** means the annual average percentage increase in the consumer price index for the city of Victoria, British Columbia from one calendar year to the next as published by BC Stats.

(e) **"Assumptions"** means the assumed Contact Volume and Average Handle Time set out in the Economic Model.

(f) **"Base Fees"** means the fixed Fees payable for the provision of the Initial Transition Services and the Base Services, excluding any Performance Fees.

(g) **"Benefits"** means vacation, leave, sick leave, statutory time, medical insurance, disability insurance, pension, or other similar economic benefits directly payable with respect to and on behalf of employees.

(h) "**Contact Volume**" means the number of Citizen Interactions made during a certain measurement period, as may be separately measured per Channel.

(i) "**Cost-Only Time and Material Rates**" has the meaning given to it in Section 8(e)(ii).

(j) **"Costs"** mean all Direct Costs, Actual Overhead and Actual G&A.

(k) **"Direct Costs"** mean the costs directly attributable to the provision of the Services by the Service Provider and directly incurred by the Service Provider, as defined by the categories of costs explicitly identified as "Direct Costs" in the Economic Model, including Direct Labour Costs.

(l) **"Direct Labour Costs"** mean the salary, wages and Benefits of Personnel and Non-Dedicated Staff except only to the extent of the actual portion of the salary, wages and Benefits directly relating to the provision of Services under this Agreement in the case of Non-Dedicated Staff.

(m) **"Excess Spread"** refers to Spread that is above s.17 of Actual Costs.

(n) "**Fee Rebate Credit**" has the meaning given to it in Section 5 (*Fee Rebate Credits*).

(o) "**Financial Statements**" mean the statement of financial position, statement of profit or loss, statement of cash flows and notes to the financial statements of the Service Provider prepared in accordance with GAAP. Where the Service Provider's financial accounting records include the results for any other business activities unrelated to the direct provision of the Services under this Agreement, the Service Provider will separate and report only the Fees and Actual Costs incurred as a result of this Agreement.

(p) "**Inflation Adjustment**" has the meaning given to it in Section 10 (*Excessive Inflation*) below.

(q) **"Monthly Base Fee"** has the meaning given to it in Section 8(b)(iii) below.

(r) "**Non-Dedicated Staff**" means employees of Service Provider Group entities other than the Service Provider.

(s) "**Performance Fees**" has the meaning given to it in **Schedule 9** (*Performance Management Framework*).

(t) **"Province Annual Services Budget"** means the Province's annual budget for the Services and all Fees payable under this Agreement in a Contract Year.

(u) **"Spread"** means Fees that are in excess of Actual Costs and where referenced as a percentage, shall be calculated as a percentage of Actual Costs.

(v) **"Spread Report"** means a report in the format detailed in Section 6 (*Spread Reporting*) below and that has been audited in accordance with Section 7 (*Audit of Financial Statements and Spread*) below.

(w) "**Termination for Convenience Fee**" has the meaning given to it in Section 9 (*Termination for Convenience Fee*) below.

(x) **"T&M Rates"** has the meaning given to it in Section 8(d)(ii)A below.

(y) "**Year**" means Contract Year.

3. Payment Terms.

The Parties agree to the following:

(a) The Fees to be paid by the Province to the Service Provider pursuant to this Agreement shall, subject to adjustments and credits so contemplated in this Agreement and any Changes, be paid in accordance with this Schedule and Article 16 (*Fees and Payment Terms*) of the Agreement.

(b) Any adjustments to the Fees will be subject to the provisions in this Agreement (including this Schedule).

(c) Any unused credits, including Fee Rebate Credits, owed to the Province by the Service Provider pursuant to this Agreement at the end of the Term will be paid to the Province within 30 days after the expiration or termination of this Agreement.

4. Adjustment to Fees for Credits.

Unless otherwise specifically provided in this Agreement, where amounts (including Fee Rebate Credits) are credited against Fees pursuant to this Agreement, they shall be offset against Fees in accordance with Section 16.5 (*Procedure for Obtaining Refund, Credit or Discount)* of main body of this Agreement.

5. Fee Rebate Credits.

If the Service Provider earns Excess Spread during the Term calculated based upon prior Contract Years, the Service Provider will grant a rebate of future Fees to the Province ("**Fee Rebate Credit**") according to the following principles and formulas, as applicable:

s.17

(d) Fee Rebate Credits, if payable, will be issued to the Province by the Service Provider on a Contract Year basis commencing in Year 2 and any Fee Rebate Credit issued by the Service Provider shall be calculated based on the cumulative Spread earned prior to its Year of issuance, less any Fee Rebate Credits already paid to the Province under this Section 5 during the Term.

(e) Any Fee Rebate Credit that is payable to the Province will be credited to the Province in accordance with Section 16.5 (*Procedure for Obtaining Refund, Credit or Discount)* of the main body of this Agreement. For greater certainty, subject to paragraph 5(h) below, any Fee Rebate Credits issued by the Service Provider shall be set off against future Fees payable by the Province.

(f) Each Contract Year commencing in Contract Year 2, the determination of whether a Fee Rebate Credit is payable based on prior Contract Years in accordance with this Section 5 will be completed within 30 days of receipt by the Province of the audited Spread Report, audited financial statements and letter required to be delivered by the Service Provider under Section 7 (*Audit of Financial Statements and Spread*) with respect to such prior Contract Years.

(g) Upon a Fee Rebate Credit being determined to be payable under this Section 5, it will be reflected in the next invoice of the Service Provider issued after its determination (subject to paragraph 5(h) below).

(h) Notwithstanding the foregoing, if this Agreement is terminated or expires and the Service Provider earns Excess Spread in the final Year or portion thereof of the Term, as applicable, the Service Provider will issue a Fee Rebate Credit to the Province. This final Fee Rebate Credit shall be paid to the Province no later than 30 days following the submission of the final audited Financial Statements and Spread Report as described in Section 7.

(i) For clarity, notwithstanding any decreases in the cumulative Spread percentage earned by the Service Provider during Term, in no event will the Province be required to reimburse the Service Provider for any Fee Rebate Credit issued by the Service Provider or pay Service Provider any additional amount with respect to Spread not included in the Base Fees.

6. Spread Reporting.

Within 90 days after the end of each Contract Year, the Service Provider will provide the Province with a Spread Report that complies with the following requirements:

(a) The Spread Report will show:

(i) The Spread for each prior Contract Year; and

(ii) The cumulative Spread of the deal under this Agreement from the Effective Date to the end of the immediately prior Contract Year, which will be the basis on which Fee Rebate Credits will be determined in accordance with Section 5 (*Fee Rebate Credits*).

(b) The Spread Report will include the following line items for each prior Contract Year and cumulatively for all prior Contract Years and follow the sample format set out below in this Section 6:

(i) total Fees paid or payable by the Province;

(ii) actual Direct Labour Costs;

(iii) actual Direct Costs, excluding actual Direct Labour Costs;

(iv) Actual Overhead;

(v) Actual G&A;

(vi) Spread in dollars; and

(vii) Spread percentage.

Sample format of the Spread Report:

Service Provider

Spread Report per Section 6 of Schedule 17 of the Master Services Agreement

		Year 1	*Year 2*	*Year 3*	*Year 4*	*Year 5*
	Spread of the Deal to Date	**Spread for this Year**	**Spread for this Year**	**Spread for this Year**	**Spread for this Year**	**Spread for this Year**
Fees						
Total Fees	$ -	$ -	$ -	$ -	$ -	$ -
Actual Direct Labour Costs						
Actual Direct Costs (non-labour)						
Actual Overhead						
Actual G&A						
Total Actual Costs	$ -	$ -	$ -	$ -	$ -	$ -
Spread:	$ -	$ -	$ -	$ -	$ -	$ -
Spread (% of Fees):	***0.00%***	***0.00%***	***0.00%***	***0.00%***	***0.00%***	***0.00%***

7. Audit of Financial Statements and Spread.

On an annual basis, based on each Contract Year, the Service Provider will cause its Financial Statements and Spread Report to be financially audited by an independent, accredited auditor. Within 90 days of the end of each Contract Year, the Service Provider will submit to the Province:

(a) a letter signed by the Service Provider's most senior financial officer in Canada certifying that the Spread Report for all prior Contract Years and Financial Statements for the prior Contract Year are in accordance with GAAP; and

(b) a copy of the audited Financial Statements for the prior Contract Year and an audited Spread Report for all prior Contract Years, both signed by the Service Provider's president and most senior financial officer in Canada.

8. Fees for Services.

(a) Overview. The Fees that are payable by the Province to the Service Provider for provision of the Services in accordance with the terms of this Agreement are as follows:

(i) the Base Fees, including any Inflation Adjustments;

(ii) earned Performance Fees (if any);

(iii) Fees payable on a T&M Rates basis for the performance of Business Development Services in excess of the threshold of included hours per month set out in **Schedule 5** (*Services*) and approved by the Province in accordance with **Schedule 5** (*Services*);

(iv) Fees payable on a T&M Rates basis for the performance of Professional Services;

(v) Fees payable T&M Rates basis or Cost-Only Time and Material Rate basis for Termination Services under Section 8(e); and

(vi) any other Fees payable by the Province under a Change Order.

(b) Base Fees.

(i) In consideration for the performance of the following Services in accordance with the terms of this Agreement, the Province shall pay the Service Provider Base Fees in accordance with this Section 8(b):

A. Initial Transition Services; and

B. Base Services.

(ii) The total Base Fees for the performance of Initial Transition Services shall be payable by the Province on an instalment basis upon completion of Initial Transition Milestones and the amount of the Base Fees payable on completion of a particular Initial Transition Milestone is set out in Table 1 below (as may be offset by Milestone Credits in accordance with **Schedule 3** (*Transition Methodology, Terms and Remedies*).

(iii) Base Fees for the performance of Base Services shall be payable by the Province on a monthly basis in accordance with Article 16 (*Fees and Payment Terms*) of the main body of this Agreement and the fixed amount of the Base Fees for Base Services performed in a particular month (a "**Monthly Base Fee**") is the Monthly Base Fee amount set out in Table 1 below for the portion of Contract Year 1 from and after the Hand-Over Date, or later Contract Year, in which such month occurs. For clarity, no Monthly Base Fees will be payable by the Province unless the Province provides Operations Go Live Approval and the Service Provider commences providing Base Services on the Operations Go Live Date.

(iv) Table 1 set out below sets out all payments to be made by the Province to the Service Provider from Year 1 to Year 5 of the Term, inclusive, for Initial Transition and Base Services, but excluding any Performance Fees and Inflation Adjustments, if applicable.

Table 1: Base Fee Amounts

Period	Amount	Frequency
Initial Transition Period	$150,000	Completion of Initial Transition Milestone #1 in accordance with **Schedule 2** *(Initial Transition Plan and Baseline Requirements*)
	$250,000	Completion of Initial Transition Milestone #3 in accordance with **Schedule 2** *(Initial Transition Plan and Baseline Requirements*)

Period	Amount	Frequency
	$275,000	Completion of Initial Transition Milestone #4 in accordance with **Schedule 2** *(Initial Transition Plan and Baseline Requirements*)
	$89,342	Completion of Initial Transition Milestone #8 in accordance with **Schedule 2** *(Initial Transition Plan and Baseline Requirements*)
Contract Year 1 from and after the Hand-Over Date (July 1, 2017 to December 31, 2017)	$242,083	Monthly
Contract Year 2 (January 1, 2018 to December 31, 2018)	$225,439	Monthly
Contract Year 3 (January 1, 2019 to December 31, 2019)	$231,842	Monthly
Contract Year 4 (January 1, 2020 to December 31, 2020)	$238,108	Monthly
Contract Year 5 (January 1, 2021 to December 31, 2021)	$238,290	Monthly

(c) Performance Fees.

(i) The Service Provider may earn Performance Fees in accordance with **Schedule 9** (*Performance Management Framework*).

(ii) The amount of any Performance Fee earned will be calculated in accordance with **Schedule 9** (*Performance Management Framework*).

(iii) At each instance where one or more Performance Fees have been earned under **Schedule 9** (*Performance Management Framework*), the Service Provider will invoice the Province for the Performance Fees and the Province shall pay such invoiced Performance Fees in accordance with Section 16.3(a) (*Method of Payment*) of the main body of this Agreement.

(d) T&M Rates Based Fees for Business Development Services and Professional Services. In consideration for the performance, in accordance with the terms of this Agreement, of Business Development Services in excess of the threshold of included hours per month set out in **Schedule 5** (*Services*) or Professional Services, the Province shall pay the Service Provider:

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9. Termination for Convenience Fee.

(a) If the Province terminates this Agreement for convenience pursuant to Section 28.5 (*Termination by Province for Convenience*) of the main body of this Agreement, in addition to any unpaid Fees owing by the Province to the Service Provider for the performance of Services pursuant to the terms of this Agreement up to the Termination Date, the Province will pay to the Service Provider the Fee calculated as set out below in this Section 9(a) based on the Termination Date ("**Termination for Convenience Fee**").

(i) The Termination for Convenience Fee will be an amount equal to X as calculated in accordance with the following formula based on the number of months elapsed (as of the Termination Date) from the Effective Date:

X =	$982,521	-	(	number of months elapsed from Effective Date	x	$20,469	)

(b) Any Termination for Convenience Fee payable by the Province will be reduced to the extent the Service Provider recovers or avoids costs for which such Fee is intended to

compensate the Service Provider. Service Provider will have the duty to mitigate such costs.

(c) If the Province terminates a Service pursuant to Section 28.5 (*Termination by Province for Convenience*) of the main body of this Agreement, the applicable Termination for Convenience Fee will be prorated to reflect the portion of the total Services that the terminated Service represents based on Fees payable by Service.

(d) The Province's obligation to pay a Termination for Convenience Fee in connection with the Province's exercise of its termination for convenience right under to Section 28.5 (*Termination by Province for Convenience*) of the main body of this Agreement is Service Provider's sole and exclusive remedy, and is the Province's sole obligation, to compensate the Service Provider for the exercise of such right.

10. Excessive Inflation.

The Economic Model includes an assumed level of inflation that may not be reflective of the actual level of inflation incurred by the Service Provider over the Term. The Service Provider and the Province agree to share the risk of a higher level of inflation than assumed in the Economic Model as follows:

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11. Economic Model and Pricing Principles.

(a) The Economic Model forms the financial basis of this Agreement. It shows, among other things, the various components of the Base Fees and how the Base Fees were determined.

(b) The Economic Model and pricing in this Schedule have been designed by the Parties with the goal that the total Fees payable by the Province in each Contract Year will remain within the Province Annual Services Budget for that Contract Year.

(c) The Economic Model includes the Assumptions upon which the Base Fees are based. The Parties agree to review the Assumptions and the current business processes for the Services through the Governance Process both:

(i) annually within the first month of each calendar year; and

(ii) at any time where the actual Contact Volume or Average Handle Time for a period greater than four months increases or decreases by greater than 10 percent of the assumed Contract Volume or Average Handle Time, as the case may be, set out in the Economic Model,

to assess whether the Assumptions have proven to be sufficiency accurate. Any agreed change to the pricing set out in this Schedule or the Economic Model (including any Assumption) as a result of any such annual review through the Governance Process must be implemented through the Change Order Process with the change being effective at the start of the next Contract Year. For clarity, in no other circumstance where any estimated or assumed variable in the Economic Model proves to be incorrect will the Service Provider be entitled to a review of the such variable or a pricing or other change pursuant to the Change Order Process since the risks associated with any such estimated or assumed variable have been assumed by the Service Provider as part of the Economic Model and pricing under this Schedule.

(d) In accordance with Section 8.5 (*Change Request Impact on Fees*) of the main body of this Agreement, any change to Fees, including the addition of any new Fees, resulting from a Change Request will be determined or priced in a manner consistent with the Economic Model and the principles below (unless the Parties otherwise mutually agree in a Change Order):

(i) If any Base Fee will be increased or decreased, then the same methodology (including categories of inputs) used to determine that Base Fee will be used to determine the amount of the increase or decrease.

(ii) Where a change under a Change Order is expected to reduce or increase a cost input of a Base Fee below or above, as the case may be, the estimated level set out in the Economic Model and used to determine such then existing Base Fee, then the Base Fee will be adjusted by applying the new estimate of the cost input. For clarity, this principle only applies to the extent the particular change directly impacts a cost input and is not a basis for making adjustments to the Base Fee based cost inputs that are not directly impacted by the change.

(iii) Any new or incremental Fees for Services to complete a Transition, other than the Initial Transition, will be amortized over the remaining Term, included in the Base Fees and earned according to Milestones in accordance with **Schedule 3** (*Transition Methodology, Terms and Remedies*) in a manner similar to the Initial Transition.

(iv) If the pricing of a change or changes pursuant to a Change Request will cause or might cause the Province to exceed any Province Annual Services Budget, then the Service Provider will, upon the Province's request as part of the Change Order Process, propose alternative approaches to implementing the change or changes that will keep the total Fees within such Province Annual Services Budget, which may include right-sizing the scope of the change or changes to fit within the Province Annual Services Budget, finding cost savings through the implementation of other changes (e.g. implementation of new technologies and removal of Services) to fund the change or changes.

(v) The Service Provider will deal transparently with the Province throughout the Change Order Process. Without limiting the foregoing, the Service Provider will make available to the Province all supporting information and documentation reasonably requested by the Province that relates to the pricing of any change requested pursuant to a Change Request.

(vi) The Service Provider will not be entitled to charge the Province additional Fees for the preparation of Proposals in response to Change Requests which, for greater certainty, will include the effort made by the Service Provider to scope and price a requested change (including any preparation of a quote) and the preparation, negotiation and execution of all documentation or information prepared by the Service Provider in respect of a requested change prior to execution of the Change Order implementing the change.

(e) For any Extension, the pricing will be consistent with the Economic Model with only the amounts of variables used to determine the pricing set out in this Schedule being open to negotiation. Unless otherwise mutually agreed, the Parties will use the Change Order Process to determine such amounts and set the pricing for any Extension. Any Change Order resulting from such process will document such pricing by updating and amending this Schedule.

(f) If, as part of an extension of SP Technology Platforms described in Section 8.1 of **Schedule 5** (*Services*) and requested by the Province pursuant to a Change Request, the Province requires Technology Platform Services to enable the Service BC front counter agents to access and use the knowledge base platform and ticketing platform described in **Schedule 26** (*SP Technology Capabilities*), all licenses for such access and use of the knowledge base platform and ticketing platform described in **Schedule 26** (*SP Technology Capabilities*) that are necessary for the Service Provider to purchase to provide such Services will be priced at the Service Provider's cost (without any markup), as determined at the time of purchase, so that all Fees charged by the Service Provider to the Province for such Services under a Change Order will not include any markup for such licenses. The Service Provider shall purchase, own and maintain title to all such necessary licenses. For clarity, unless otherwise mutually agreed by the Parties, the pricing set out in this Section 11(f) will be not available to the Province for those licenses used by any Persons other than the Service BC front counter agents.

ATTACHMENT A
(Schedule 17)

ECONOMIC MODEL

Attached.

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SCHEDULE 18

PRIVACY SCHEDULE

Definitions

1. In this Schedule,

   (a) "**access**" means disclosure by the provision of access;

   (b) "**Act**" means the *Freedom of Information and Protection of Privacy Act*;

   (c) "**contact information**" means information to enable an individual at a place of business to be contacted and includes the name, position name or title, business telephone number, business address, business email or business fax number of the individual;

   (d) "**personal information**" means recorded information about an identifiable individual, other than contact information, collected or created by the Service Provider as a result of the Agreement or any previous agreement between the Province and the Service Provider dealing with the same subject matter as the Agreement but excluding any such information that, if this Schedule did not apply to it, would not be under the "control of a public body" within the meaning of the Act; and

   (e) "**privacy course**" means,

      a. The Province's online privacy and information sharing training course, or

      b. Another privacy and information sharing training course, that addresses, at a minimum:

         i. definition of personal information/personally identifiable information;

         ii. breach/incident identification and reporting;

         iii. appropriate access/use/handling of personal information/personally identifiable information;

         iv. principles of need-to-know and least-privilege; and,

         v. reasonable security measures/arrangements.

Purpose

2. The purpose of this Schedule is to:

   (a) enable the Province to comply with the Province's statutory obligations under the Act with respect to personal information; and

   (b) ensure that, as a service provider, the Service Provider is aware of and complies with the Service Provider's statutory obligations under the Act with respect to personal information.

Collection of personal information

3. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Service Provider may only collect or create personal information that is necessary for the performance of the Service Provider's obligations, or the exercise of the Service Provider's rights, under the Agreement.

4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Service Provider must collect personal information directly from the individual the information is about.

5. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Service Provider must tell an individual from whom the Service Provider collects personal information:

   (a) the purpose for collecting it;

   (b) the legal authority for collecting it; and

   (c) the title, business address and business telephone number of the person designated by the Province to answer questions about the Service Provider's collection of personal information.

Privacy Training

6. The Service Provider must ensure that each person who will provide services under the Agreement that involve the collection or creation of personal information will complete, at the Service Provider's expense, the privacy course prior to that person providing those services.

7. The requirement in section 6 will only apply to persons who have not previously completed the privacy course.

Accuracy of personal information

8. The Service Provider must make every reasonable effort to ensure the accuracy and completeness of any personal information to be used by the Service Provider or the Province to make a decision that directly affects the individual the information is about.

Requests for access to personal information

9. If the Service Provider receives a request for access to personal information from a person other than the Province, the Service Provider must promptly advise the person to make the request to the Province unless the Agreement expressly requires the Service Provider to provide such access and, if the Province has advised the Service Provider of the name or title and contact information of an official of the Province to whom such requests are to be made, the Service Provider must also promptly provide that official's name or title and contact information to the person making the request.

Correction of personal information

10. Within 5 Business Days of receiving a written direction from the Province to correct or annotate any personal information, the Service Provider must annotate or correct the information in accordance with the direction.

11. When issuing a written direction under section 10, the Province must advise the Service Provider of the date the correction request to which the direction relates was received by the Province in order that the Service Provider may comply with section 12.

12. Within 5 Business Days of correcting or annotating any personal information under section 10, the Service Provider must provide the corrected or annotated information to any party to

whom, within one year prior to the date the correction request was made to the Province, the Service Provider disclosed the information being corrected or annotated.

13. If the Service Provider receives a request for correction of personal information from a person other than the Province, the Service Provider must promptly advise the person to make the request to the Province and, if the Province has advised the Service Provider of the name or title and contact information of an official of the Province to whom such requests are to be made, the Service Provider must also promptly provide that official's name or title and contact information to the person making the request.

Protection of personal information

14. The Service Provider must protect personal information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal, including any expressly set out in the Agreement.

Storage and access to personal information

15. Unless the Province otherwise directs in writing, the Service Provider must not store personal information outside Canada or permit access to personal information from outside Canada.

Retention of personal information

16. Unless the Agreement otherwise specifies, the Service Provider must retain personal information until directed by the Province in writing to dispose of it or deliver it as specified in the direction.

Use of personal information

17. Unless the Province otherwise directs in writing, the Service Provider may only use personal information if that use is for the performance of the Service Provider's obligations, or the exercise of the Service Provider's rights, under the Agreement.

Disclosure of personal information

18. Unless the Province otherwise directs in writing, the Service Provider may only disclose personal information inside Canada to any person other than the Province if the disclosure is for the performance of the Service Provider's obligations, or the exercise of the Service Provider's rights, under the Agreement.

19. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Service Provider must not disclose personal information outside Canada.

Notice of foreign demands for disclosure

20. In addition to any obligation the Service Provider may have to provide the notification contemplated by section 30.2 of the Act, if in relation to personal information in the custody or under the control of the Service Provider, the Service Provider:

    (a) receives a foreign demand for disclosure;

    (b) receives a request to disclose, produce or provide access that the Service Provider knows or has reason to suspect is for the purpose of responding to a foreign demand for disclosure; or

(c) has reason to suspect that an unauthorized disclosure of personal information has occurred in response to a foreign demand for disclosure

the Service Provider must immediately notify the Province and, in so doing, provide the information described in section 30.2(3) of the Act. In this section, the phrases "foreign demand for disclosure" and "unauthorized disclosure of personal information" will bear the same meanings as in section 30.2 of the Act.

Notice of unauthorized disclosure

21. In addition to any obligation the Service Provider may have to provide the notification contemplated by section 30.5 of the Act, if the Service Provider knows that there has been an unauthorized disclosure of personal information in the custody or under the control of the Service Provider, the Service Provider must immediately notify the Province. In this section, the phrase "unauthorized disclosure of personal information" will bear the same meaning as in section 30.5 of the Act.

Inspection of personal information

22. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Service Provider, enter on the Service Provider's premises to inspect any personal information in the possession of the Service Provider or any of the Service Provider's information management policies or practices relevant to the Service Provider's management of personal information or the Service Provider's compliance with this Schedule and the Service Provider must permit, and provide reasonable assistance to, any such inspection.

Compliance with the Act and directions

23. The Service Provider must in relation to personal information comply with:

(a) the requirements of the Act applicable to the Service Provider as a service provider, including any applicable order of the commissioner under the Act; and

(b) any direction given by the Province under this Schedule.

24. The Service Provider acknowledges that it is familiar with the requirements of the Act governing personal information that are applicable to it as a service provider.

Notice of non-compliance

25. If for any reason the Service Provider does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Service Provider must promptly notify the Province of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

Termination of Agreement

26. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Service Provider, terminate the Agreement by giving written notice of such termination to the Service Provider, upon any failure of the Service Provider to comply with this Schedule in a material respect.

Interpretation

27. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.

28. Any reference to the "Service Provider" in this Schedule includes any subcontractor or agent retained by the Service Provider to perform obligations under the Agreement and the Service Provider must ensure that any such subcontractors and agents comply with this Schedule.

29. The obligations of the Service Provider in this Schedule will survive the termination of the Agreement.

30. If a provision of the Agreement (including any direction given by the Province under this Schedule) conflicts with a requirement of the Act or an applicable order of the commissioner under the Act, the conflicting provision of the Agreement (or direction) will be inoperative to the extent of the conflict.

31. The Service Provider must comply with the provisions of this Schedule despite any conflicting provision of this Agreement or, subject to section 32, the law of any jurisdiction outside Canada.

32. Nothing in this Schedule requires the Service Provider to contravene the law of any jurisdiction outside Canada unless such contravention is required to comply with the Act.

SCHEDULE 19

SECURITY SCHEDULE

Definitions

1. In this Schedule, unless the context otherwise requires:

   (a) "**Confidential Information**" means Personal Information and information the Service Provider must treat as confidential under this Agreement, regardless of format;

   (b) "**Facilities**" means the facilities used in providing the Services, including those housing Systems (including Systems awaiting disposal) or Confidential Information;

   (c) "**Information Incident**" means an unwanted or unexpected event or series of events that threaten privacy or security of Confidential Information, including its unauthorized access, collection, use, disclosure, alteration, storage or disposal, regardless of format, and whether accidental or deliberate;

   (d) "**Personal Information**" has the meaning given in **Schedule 18** (*Privacy Schedule*);

   (e) "**Sensitive Information**" means, regardless of format:

      (i) Personal Information,

      (ii) Confidential Information marked or identified when disclosed or entrusted to the custody of the Service Provider as "Confidential", "High Sensitivity", "Cabinet Confidential", "Sensitive Information" or the like, and

      (iii) other Confidential Information (if any) specified in Appendix 2 to this Schedule;

   (f) "**Service Provider's Systems**" includes Systems of third parties that the Service Provider authorizes its Services Workers to use in providing the Services (for example, the portable computing device of a Services Worker employed by the Service Provider who is authorized to use that device pursuant to the Service Provider's work at home or bring your own device to work policy or a data storage service used by the Service Provider to back-up data);

   (g) "**Services Worker**" means an individual involved in providing the Services for or on behalf of the Service Provider, including:

      (i) the Service Provider or a Subcontractor if an individual, or

      (ii) an employee or volunteer of the Service Provider or of a Subcontractor; and

   (h) "**Security Event**" means:

      (i) any event, notification or alert that a device, Systems or software is technically capable of producing in relation to its status, such as a notification of configuration change or notification of log-on/log-off events (also referred to as infrastructure event logs); or

      (ii) any event, notification or alert that a device, Systems or software is technically capable of producing in relation to its function and activities, such as data/traffic/sessions routed, transmitted, blocked or permitted (also referred to as activity/function security event logs).

   Security Events are not limited to security devices, but are applicable to all devices, Systems and software that are technically capable of producing event logs that can be used in security investigations, auditing and monitoring. Examples of Systems that can

produce Security Event logs include, but are not limited to: routers, switches, content filtering, network traffic flow, network firewalls, intrusion prevention systems, servers, applications, databases, operating systems, virtualization platform, application firewalls, authentication services, directory services, DHCP, DNS, and hardware platforms. Security Events are event logs that can be used in security investigations, auditing or monitoring and can give rise to a security incident or Information Incident;

(i) "**Systems**" means the equipment or interconnected systems or subsystems of equipment, including software, hardware and networks, used in the acquisition, storage, manipulation, management, movement, control, display, switching, interchange, emission, transmission or reception of:

(i) Confidential Information, or

(ii) information, regardless of format, used in providing the Services.

Schedule contains additional obligations

2. The obligations in this Schedule are in addition to other obligations in this Agreement relating to security (if any), including in **Schedule 18** (*Privacy Schedule*).

Services Worker confidentiality agreements

3. The Service Provider must not permit a Services Worker who is an employee or volunteer of the Service Provider to have access to either Confidential Information through Systems supplied by the Services Worker or Sensitive Information unless the Services Worker is contractually bound to the Service Provider in writing to keep that information confidential on terms no less protective than those applicable to the Service Provider under this Agreement.

Services Worker security screening

4. The Service Provider may only permit a Services Worker who is an employee, volunteer or Subcontractor of the Service Provider to have access to Sensitive Information, the Province's Systems or, subject to applicable laws and any express exception in this Agreement, otherwise be involved in providing the Services if, after having subjected the Services Worker to the Service Provider's personnel security screening requirements, which must be no less stringent than the requirements in Appendix 1 to this Schedule and any additional security requirements the Service Provider may consider appropriate, the Service Provider is satisfied that the Services Worker does not constitute an unreasonable security risk. Subject to applicable laws, the Service Provider must retain Records of its compliance with Appendix 1 to this Schedule.

Services Worker information security training

5. The Service Provider is responsible for ensuring Services Workers are aware of the requirements of the *Freedom of Information and Protection of Privacy Act* as it relates to this Agreement and any other enactment in effect from time to time relating to handling information. Without limiting the foregoing, the Province may require particular Services Workers to complete any relevant information security awareness, education and training provided by the Province online or otherwise before those Services Workers may provide specific Services or receive or access particular Confidential Information or particular Systems or Facilities of the Province and may require the Service Provider to keep Records tracking such training.

Access controls

6. The Service Provider must apply security controls to:

(a) limit access to the Service Provider's Facilities where practicable and to the Service

Provider's Systems to those persons authorized by the Service Provider to have that access and for the purposes they are authorized, which security control must include measures to verify the identity of those persons and to revoke access when conditions for authorization cease;

(b) limit access to Records containing Sensitive Information to those Services Workers authorized by the Service Provider to have that access and for the purposes they are authorized to perform the Service Provider's obligations under this Agreement, which must include measures to verify the identity of those Services Workers and to revoke access when conditions for the Services Worker's authorization cease; and

(c) limit the performance of all maintenance on the Service Provider's Systems where a plausible risk exists that Records containing Sensitive Information could be accessed by the performers of maintenance, despite the Service Provider's efforts to comply with paragraph (b), to either authorized Services Workers or, if those Records cannot be removed first, other persons who are bound by similar confidentiality agreements and meet similar security screening requirements.

Access audit logs

7. The Service Provider must keep in accordance with Sections 8 and 9 detailed Records logging and monitoring accesses to Records containing Sensitive Information transported or stored on the Service Provider's Systems, except as this Agreement or the Province in writing may instruct otherwise.

8. The Records described in Section 7 must include the following details for each event when appropriate for the technology:

(a) Services Worker identification;

(b) date, time and details of event;

(c) subject matter accessed; and

(d) details of unauthorized access or tampering.

9. The Service Provider must keep and protect the Records described in Section 7 from unauthorized access, alteration or destruction for no less than two years after the end of the calendar year ending December 31st in which the Records are created unless the Province agrees in writing to a different period. This includes applying security controls to prevent individuals from being able to alter, erase or deactivate Records of their own access.

Service Provider's Systems and Facilities protection controls

10. The Service Provider must apply security controls to protect the Service Provider's Systems and the Service Provider's Facilities from loss, damage or other occurrence, including from fire and environmental hazards and power interruptions, which may result in them being unavailable when required to provide the Services.

11. If this Agreement limits the processing, transporting or storing of any Records containing Confidential Information to particular Service Provider's Systems or Service Provider's Facilities or their specified location or Services carried on them, the Service Provider must, before it makes any change to those Systems or Facilities or Services carried on them that risks reducing the security of those Records or to their location to different Systems or Facilities, obtain the Province's written agreement or confirmation that a security threat and risk assessment ("STRA")

or Privacy Impact Assessment ("PIA") or both do not need to be performed or updated. Before agreeing, the Province may require the Service Provider, at the Service Provider's expense, to:

(a) perform or update, or assist the Province or a mutually acceptable third party in performing or updating, a STRA or PIA, or both, in accordance with Province policies, standards, procedures and guidelines, for review by the Province; and

(b) submit a plan and remediate or otherwise address any security threats or risks or privacy impacts of concern to the Province identified in the STRA or PIA within a reasonable time.

Integrity and availability of Records

12. The Service Provider must apply security controls to maintain the integrity and availability of Records containing Confidential Information or other information under the Province's control while possessed, accessed or processed by the Service Provider. This includes controls to protect such Records on the Service Provider's Systems from malicious code (including viruses, disabling or damaging codes, trap doors, listening devices, computer worms and Trojan Horses), including as appropriate:

(a) ensuring regularly updated software designed to scan for, detect and provide protection from malicious code is installed with real-time scanning and periodic scanning of all discs enabled;

(b) maintaining and following business continuity plans to recover from malicious code incidents;

(c) scanning backup media prior to restoration so that malicious code is not introduced or re-introduced into such System; and

(d) installing critical security patches and updates to all installed software.

13. For Section 12, maintaining the integrity of Confidential Information means that, except as this Agreement or the Province may instruct otherwise, the Confidential Information has:

(a) remained as accurate and complete as when it was obtained or accessed by the Service Provider; and

(b) not been altered in any material respect.

Additional security controls for Sensitive Information

14. The Service Provider must apply security controls to:

(a) ensure that Records (including backup copies) containing Sensitive Information in transit or stored on the Systems or Service Provider's Systems (including portable computing and storage devices) are secure and encrypted in accordance with the Province's "Cryptographic Standards for Information Protection" (as may be accessed from the website of the Office of the Chief Information Officer at http://www2.gov.bc.ca/gov/content/governments/services-for-government/policies-procedures/im-it-standards/find-a-standard#it_sec), except as this Agreement may specify other cryptographic standards;

(b) protect and limit access to the Service Provider's Systems that will transport or store Sensitive Information through the following means when appropriate for the technology:

(i) segregating or partitioning Systems to separate and restrict access to Sensitive Information from other Records (for example, storing Sensitive Information on a computer or server in a separate, password-protected, encrypted virtual disk or folder),

(ii) storing and transporting portable storage devices safely,

(iii) protecting the Systems with a physical locking, restraint or security mechanism,

(iv) ensuring network perimeters and network traffic control points are established or firewalls are installed and enabled,

(v) having appropriate log-in procedures to the Systems and Sensitive Information stored on the Systems, such as:

(1) requiring user identifiers that are unique and personal for log-in,

(2) requiring complex passwords or personal identification numbers (PINs) that are not shared, default or blank and that require changing at predetermined intervals and are encrypted (not displayed) when entered, biometric accesses, keys, smart cards or other logical or physical access controls or combinations of them,

(3) applying locking screen-savers and session time-out mechanisms,

(4) applying limits on unsuccessful attempts to log-in, and

(5) logging unauthorized changes to system security settings and controls that may enable unauthorized access or tampering,

(vi) disabling unneeded ports, protocols and services, and

(vii) performing any remote management in a secure manner, using encrypted communication channels and adequate access controls; and

(c) ensure that Records (including backup copies) containing Sensitive Information are not disclosed, accessed from, or stored (including on any Services Worker's portable computing device or third party data storage service) outside Canada without the Province's prior written consent, except as may be in a written direction under **Schedule 18** (*Privacy Schedule*).

Documentation of security controls, including changes

15. Unless this Agreement specifies otherwise, the Service Provider must keep detailed Records documenting, and logging any changes to, security controls to support compliance with Sections 6, 10, 12 and 14.

16. The Service Provider's security control documentation and Records required to support compliance with this Schedule, including the Records described in Sections 4, 5, 7 and 15, which may be subject to privacy protection laws governing the private sector, but excluding the log described in Section 23, are or are deemed to be the sole property of the Service Provider and under Service Provider control and not Province Materials.

Province's Systems and Facilities

17. If the Province makes available any of the Province's Facilities or Systems for use in providing any Services, the Service Provider must comply with:

(a) section 12.3.1 (Appropriate Use of Government Resources) of the Province's "Core Policy and Procedures Manual", Chapter 12 (Information Management and Information Technology Management) (as may be accessed from the website of the Office of the Comptroller General through http://www.fin.gov.bc.ca) as it relates to Systems; and

(b) any other applicable Province Policies regarding acceptable use, protection of, and access to, such Facilities or Systems,

in addition to other applicable provisions of this Agreement and only permit its authorized Services Workers who have been instructed to comply with such policies, standards, procedures and provisions to have such access.

18. The Province has the right to:

(a) not make the Province's Facilities or Systems available before the Service Provider or Services Worker or both agree to a form of agreement acceptable to the Province on acceptable use, protection of, and access to, such Facilities or Systems;

(b) not permit particular Systems to connect to the Province's Systems until satisfied with the security controls to be applied;

(c) keep access and other audit logs and monitor and analyze use of the Province's Facilities and Systems to verify compliance, investigate suspected or actual breaches or Information Incidents and protect the Province's assets, including Records, in compliance with laws, including the *Freedom of Information and Protection of Privacy Act* and *Information Management Act*, and the Province Policies; and

(d) limit or revoke access, in addition to any other rights the Province may have.

Notice of demands for disclosure

19. If, after complying with any applicable obligations under this Agreement relating to responding to requests for Province Materials or Personal Information, the Service Provider is still required to produce, provide access to or otherwise disclose any Sensitive Information pursuant to any enactment or any subpoena, warrant, order, demand or other request from a court, government agency or other legal authority, the Service Provider must immediately notify and provide reasonable assistance to the Province so the Province may seek a protective order or other remedy to prevent or limit the disclosure.

Notice of Information Incidents

20. In addition to any requirement imposed under the *Freedom of Information and Protection of Privacy Act* or other law, if, during or after the Term, the Service Provider discovers a suspected or actual Information Incident, the Service Provider must:

(a) immediately report the particulars of the Information Incident to, and follow the instructions of, the Province, confirming any oral report with a notice in writing to the Province as soon as reasonably practicable (if unable to contact the Province's contract manager or other designated contact for this Agreement, follow the procedure for reporting and managing information incidents on the website of the Office of the Chief Information Officer at http://www2.gov.bc.ca/gov/content/governments/services-for-government/information-management-technology/information-security/information-incidents); and

(b) make every reasonable effort to recover the Confidential Information or Records containing Confidential Information if appropriate in the circumstances and contain the Information Incident, following such instructions as the Province may give.

Review of Information Incidents

21. The Province may review any Information Incident (whether or not reported under Section 20) and, if requested, the Service Provider must participate in that review and follow any instructions for remediation and prevention to the extent reasonably practicable.

Retention, destruction and delivery of Records

22. Subject to written instruction by the Province to retain for a different period or deliver any Records, the Service Provider must retain Records in the Service Provider's possession that contain Confidential Information until their delivery or disposal as provided in this Agreement. Except as this Agreement or the Province may instruct otherwise:

    (a) backup, transient and extra copies of Records (including configuration data) that contain Confidential Information must be securely destroyed when no longer needed to perform this Agreement;

    (b) Records that contain Confidential Information, other than those destroyed in accordance with paragraph (a), must be securely delivered to the Province when no longer needed to perform this Agreement; and

    (c) if, despite the delivery or disposal of electronic Records of Sensitive Information in accordance with this Section 22, any Sensitive Information remains on the storage media used, the storage media must be securely destroyed.

23. The Service Provider must keep Records logging the dates, particulars, format and means of the delivery or disposal of Records that contain Confidential Information and deliver any such log Records on request from the Province.

Additional security terms and conditions

24. The Service Provider must comply with the additional terms and conditions in Appendix 2 to this Schedule.

Inspection

25. In addition to any other rights of inspection the Province may have under this Agreement or under statute, the Province has the rights, at any reasonable time and on reasonable notice to the Service Provider, to:

    (a) request the Service Provider to verify compliance with this Schedule to keep security control documentation or Records to support compliance; and

    (b) enter on the Service Provider's premises to inspect and, at the Province's discretion, copy:

        (i) any Records in the possession of the Service Provider containing Confidential Information or other Records under Province control, or

        (ii) any of the Service Provider's information management practices, security control documentation or Records required to support compliance with this Schedule relevant to and for the purpose of determining the Service Provider's compliance with this Schedule and any other information management requirements under this Agreement

    and the Service Provider must permit, and provide reasonable assistance to, the Province to exercise the Province's rights under this Section 25. If any non-compliance or deficiency is found, the Province may (in addition to any other rights it may have) require the Service Provider, at the Service Provider's expense, to develop and implement a corrective action plan within a reasonable time.

Standard for security controls

26. Except as this Agreement may specify otherwise, the Service Provider must apply security controls to manage Confidential Information, the Service Provider's Systems and Service Provider's Facilities, and the Services and related deliverables, that are:

    (a) compliant with all applicable policies, standards and procedures in the following documents, including any referenced documents (the "Policies"):

        (i) the Province's "Information Security Policy" (http://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/services-policies-for-government/policies-procedures/information-security-policy/isp.pdf) (as may be accessed from the website of the Office of the Chief Information Officer at http://www2.gov.bc.ca/gov/content/governments/services-for-government/policies-procedures/information-security-policy); and

        (ii) the Province's "IM/IT Standards" (as may be accessed from the website of the Office of the Chief Information Officer at http://www2.gov.bc.ca/gov/content/governments/services-for-government/policies-procedures/im-it-standards).

27. Security policies, standards and procedures of the Province are subject to change in the Province's discretion and without notice. However, no additional requirement (including a higher standard) will form part of the Policies unless added in accordance with the Change Order Process.

28. If the Province agrees, through the Change Order Process, to pay any costs of the Service Provider to implement changes to comply with an additional requirement to the Policies, the Service Provider must not charge the Province an amount more than:

    (a) once, to implement the same change to comply with the same additional requirement under different agreements between the parties, despite any provision in any agreement to the contrary; and

    (b) Province pre-approved, material, incremental costs actually incurred.

29. For greater certainty, the obligations in Sections 17 and 18 will not be subject to the Change Order Process.

Open source software

30. Unless the Province gives its prior written consent in or under this Agreement after being advised of the applicable license and affected Province Materials or code, the Service Provider must not:

    (a) provide any Province Materials that derive from, consist of, embed or incorporate any free or open source software (including freeware, but excluding public domain software) or provide any Service that introduces free or open source software into any of the Province's Systems or computer code (whether or not owned by or licensed to the Province); or

    (b) use any free or open source software to create, modify, assemble, compile, produce or otherwise develop any Province Materials if it would require the Province Materials or any of the Province's Systems or computer code (whether owned by or licensed to the Province) to:

        (i) be made accessible or distributed in source code form to others,

(ii) be licensed to others for the purpose of making derivative works,

(iii) be licensed to others under terms that permit reverse engineering, reverse assembly or disassembly or other study for any purpose, or

(iv) be redistributable to others at no charge.

Any use of open source software must comply with the Province's "Guidelines on the Use of Open Source Software" (as may be accessed from the website of the Office of the Chief Information Officer at http://www2.gov.bc.ca/gov/content/governments/services-for-government/policies-procedures/im-it-standards).

Privacy and security contact

31. If the Service Provider is not an individual and not provided elsewhere in this Agreement, the Service Provider (but not a Subcontractor) must provide in writing to the Province contact information for a Services Worker who will coordinate the Service Provider's and Subcontractor's compliance and act as a direct contact for the Province on matters related to this Schedule and **Schedule 18** (*Privacy Schedule*).

Termination of Agreement

32. In addition to any other rights of termination the Province may have under this Agreement or at law, the Province may, subject to any applicable provision in this Agreement setting a mandatory cure period for default, terminate this Agreement on written notice to the Service Provider if the Service Provider fails to comply with this Schedule in a material respect.

Interpretation

33. In this Schedule, unless otherwise specified, references to Sections are to Sections of this Schedule.

34. Unless otherwise specified, any reference to the "Service Provider" in this Schedule includes any Subcontractor or agent involved in providing the Services, including any further sub-Subcontractor of the Service Provider and the Service Provider must ensure that any such Subcontractors or agents comply with this Schedule.

35. If there is a conflict between a provision in an appendix to this Schedule and any other provision of this Schedule, the provision in the appendix is inoperative to the extent of the conflict unless the appendix states that it operates despite a conflicting provision of this Schedule.

36. If there is a conflict between:

(a) a provision of this Agreement, this Schedule or an appendix to this Schedule; and

(b) a documented security control required by this Schedule to be followed by the Service Provider,

the provision of this Agreement, Schedule or appendix will prevail to the extent of the conflict.

37. Sections 20 to 25 of this Schedule and any other obligations of the Service Provider in this Schedule (including any appendix) which, by their terms or nature, are intended to survive the completion of the Services or termination of this Agreement, will continue in force indefinitely even after this Agreement ends.

SCHEDULE 19 – Appendix 1 – Security screening requirements

This Appendix is to assist the Service Provider determine whether or not a Services Worker constitutes an unreasonable security risk.

Verification of name, date of birth and address

1. The Service Provider must verify the name, date of birth and current address of a Services Worker by viewing at least one piece of "primary identification" of the Services Worker and at least one piece of "secondary identification" of the Services Worker* that has not expired, as described in the table below. Subject to applicable laws, the Service Provider must keep Records of those verifications. For a Services Worker from another province or jurisdiction, reasonably equivalent identification documents are acceptable.

Primary Identification	Secondary Identification
Issued by ICBC: • BC Services Card (photo) • Combination driver's licence and BC Services Card (photo) • B.C. driver's licence or learner's licence (photo) • B.C. Identification (BCID) card (not without expiry date) **Issued by provincial or territorial government:** • Canadian birth certificate **Issued by Government of Canada:** • Canadian Citizenship Card • Canadian Record of Landing/Canadian Immigration Identification Record • Passport • Permanent Resident Card • Secure Certificate of Indian Status (must have holographic design)	• Bank card (only if holder's name is imprinted and signed on card) • BC Services Card (non-photo) • B.C. CareCard or other health card issued by province or territory • Canadian or U.S. driver's licence • Canadian Forces ID • Correctional Service Conditional Release Card • Credit card (only if holder's name is imprinted on card) • Department of National Defense 404 driver's license (name, signature and photo) • Employee ID with photo • Firearms Acquisition Certificate • Foreign Affairs Canada or consular identification • Foreign birth certificate (a baptismal certificate is not acceptable) • Native Status card • Naturalization certificate • NEXUS card (name and photo) • Parole Certificate ID • Passport (Canada or foreign, including U.S. passport card) • Police identification • Student card (School ID) • Social Insurance Card (must have signature strip) • Vehicle registration (only if signed)

* It is not necessary that each piece of identification viewed by the Service Provider contains the name, date of birth and current address of the Services Worker. It is sufficient that, in combination, the identification viewed contains that information.

Verification of education and professional qualifications

2. The Service Provider must verify, by reasonable means, any relevant education and professional qualifications of a Services Worker, and keep Records of those verifications.

Verification of employment history and reference checks

3. The Service Provider must verify, by reasonable means, any relevant employment history of a Services Worker, which will generally consist of the Service Provider requesting that a Services Worker provide employment references and the Service Provider contacting those references. If a Services Worker has no relevant employment history, the Service Provider must seek to verify the character or other relevant personal characteristics of the Services Worker by requesting the Services Worker to provide one or more personal references and contacting those references. The Service Provider must keep Records of those verifications.

Security interview

4. The Service Provider must allow the Province to conduct a security-focused interview with a Services Worker if the Province identifies a reasonable security concern and notifies the Service Provider it wishes to do so.

Criminal history check

5. The Service Provider must arrange for and retain documented results of a criminal history check on a Services Worker obtained through the Services Worker's local policing agency. Criminal history checks must be repeated as necessary to ensure that at all times the most recent criminal history check on a Services Worker was completed within the previous five years.

6. If the results of the criminal history check on a Services Worker reveals a criminal history:

   (a) even if the Service Provider deems that the Services Worker does not constitute an unreasonable security risk, the Service Provider must provide a copy of the criminal history check of such Services Worker to the Province for evaluation to assist the Province in determining if it considers such Services Worker to be an unreasonable security risk;

   (b) the Service Provider must request the prior written approval of the Province for the use of such Services Worker in the provision of the Services or in accessing Sensitive Information; and

   (c) the Province reserves the right, in its sole discretion, to refuse any request made by the Service Provider in accordance with paragraph (b).

SCHEDULE 19 – Appendix 2 – Additional Terms and Conditions

Systems utilizing cloud services

1. Without limiting the Service Provider's other obligations under this Agreement – including Sections 11 and 19 through 22 of the main body of this Schedule and obligations with respect to compliance with laws (including the *Freedom of Information and Protection of Privacy Act* and *Information Management Act*), Personal Information or other Sensitive Information, subcontracting, and obtaining required prior written consents or directions from the Province in relation to any particular type of Confidential Information or Services - if any of the Service Provider's Systems do or will utilize, consist of or depend in any way on any cloud service, such as infrastructure-as-a-service, platform-as-a-service or software-as-a-service, the Service Provider must:

   (a) obtain approval in writing from the Province to utilize cloud services in the provision of Services;

   (b) ensure the cloud services, including all data centres used in providing those cloud services, are located in Canada with Personal Information not being stored or accessed from outside Canada;

   (c) ensure the cloud services, including all data centres used in providing those cloud services (including for back-up or disaster-recovery purposes), are compliant with one or more established international security standards, such as:

      (i) ISO/IEC 27017;

      (ii) NIST Special Publication 800-53 of the National Institute of Standards and Technology, an agency of the U.S. Department of Commerce; or

      (iii) the Cloud Security Alliance (CSA) Cloud Control Matrix,

      as certified or confirmed by an independent accredited or otherwise reputable third party , through an annual SOC 2 Type II audit and attestation, or Level 2 of CSA STAR Attestation or Level 2 of CSA STAR Certification as evidenced by a CSA audit report or letter from a CSA auditor.

2. The Service Provider will ensure that any cloud services provider utilized in connection with the Services will assist the Province with security investigations and legal discovery related to the Services, and provide on-line access to logs required to conduct such security investigations.

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Security Event log retention

7. The Service Provider will ensure that the Security Event logs are retained for a minimum period of 2 years.

Monitoring

8. The Service Provider will ensure that automated tools will be implemented for the monitoring, review, correlating and alerting of Security Events.

Security investigations support

9. The Service Provider will provide support to the Province where the Province conducts its own investigations into Information Incidents. This support will include, but is not limited to, access to Security Event logs for the Province's security investigators and auditors in case of security investigations and audits. As and when requested by the Province, the Service Provider will provide access to such logs via an on-line, real-time graphical user interface (GUI) facility to permit timely access to logs.

   For clarity, the Service Provider will provide the Province with read-only, role based access control to the Splunk system (which is the current logging/archiving/monitoring platform used by the Service Provider), or a product or system with equivalent functionality if the Splunk system is replaced with a different product or system, for the purposes of evidence collection as well as security log parsing, searching, and reporting. The Service Provider will configure the role based access control to ensure that the Province has read-only access to search, parse and report on logs related to the Services only.

   To ensure that search queries do not cause performance issues or instability on the Splunk system (or any replacement system), the Province agrees to provide any type of existing queries, as well as any new types of queries created, to the Service Provider for approval before running such queries. Such approval will not be unreasonably withheld by the Service Provider and will be limited to approval of the form of the query only and not to the content/data the Province is intending to obtain through the query.

   To the extent the Service Provider fails to meet any Performance Standards due to the impact on SP Technology Platforms of the Province accessing and running such reports or log searching, such failure will be an Excusable Event addressed in accordance with **Schedule 9** (*Performance Management Framework*).

   If such on-line access to logs is not possible due to technical limitations, the Service Provider will provide access to logs via other methods, such as, but not limited to, alternate on-line repositories (such as Microsoft SharePoint), on-site visits to enable direct access to logs and log file requests.

Documentation of processes and procedures

10. The Service Provider will ensure that all its processes and procedures are documented adequately.

Logical isolation of data

11. The Service Provider will ensure that logical isolation of Province's data, including Sensitive Information, will be in place and configured at all times, and the logical isolation will remain in effect even in the case of equipment and/or technology failure.

Access controls

12. The Service Provider will ensure that adequate access controls (e.g., role based access control, passwords) are in place and active at all times.

Server hardening

13. The Service Provider will ensure that all operating systems on servers must be hardened against attack and misuse, using appropriate industry standard or best practice guidance for the hardening of the specific deployed platform, prior to being placed into production. On all server platforms, all unsecured, unneeded and un-necessary ports, services and network communicating applications are un-installed or disabled. Using the principle of least privilege only ports, services and applications based on the functional requirements and required for the specific server will be configured and made operational.

Anti-virus and anti-malware

14. The Service Provider will ensure that all servers will have antivirus/malware protection configured, active and enabled at all times. At a minimum, antivirus/malware definitions must be updated daily. At a minimum, servers must be configured to undergo a full anti-virus scan for latent infections (i.e., not previously detected by the real-time agent) on at least a weekly basis.

Vulnerability Scanning

15. The Service Provider will ensure that all servers will undergo a vulnerability scan before being placed into production after being built. Any vulnerability identified by such a scan will be remedied before the servers are placed into production. The Service Provider will scan all Systems and Facilities providing the Services to which this Schedule applies (such as, but not limited to, servers, databases, applications, routers, firewalls, IPS and switches, and all associated infrastructure used to manage and monitor the Services) for vulnerabilities on a regular basis, with a scanning schedule set at a minimum of one scan per month.

Web Application Vulnerability Scanning

16. The Service Provider will ensure that all web applications are subjected to application vulnerability scanning before being placed into production, and any vulnerabilities or deficiencies identified are remedied before placing into production. Web application vulnerability scanning will be completed before any major changes to the application are implemented to ensure no vulnerabilities are introduced and any vulnerabilities and deficiencies identified are remedied before placing into production. The Service Provider will ensure that all web applications are scanned on a regular schedule thereafter.

Patching

17. The Service Provider will ensure that devices, Systems or Facilities that are used to provide the Services have all patches installed on a regular schedule. The Service Provider will ensure that vulnerabilities are remedied and patches installed on an accelerated/emergency basis for zero-day,

critical and high vulnerabilities. For zero-day vulnerabilities the Service Provider will implement appropriate mitigation measures promptly on notification of the zero-day vulnerability. The Service Provider will obtain information in a timely basis about technical vulnerabilities related to all information systems comprising the Systems, Facilities, infrastructure and the management network. The Service Provider will implement processes to stay current with security threats identified in the industry.

Workstation Security

18. The Service Provider will ensure that the workstations and other end-user devices that are used in the management, administration or access of the devices, Systems or Facilities that are used to provide the Services, are protected adequately.

19. The Service Provider will ensure that all such workstations will have:

    (a) appropriate antivirus protection active at all times, and antivirus scans are configured for a scan to be undertaken weekly at a minimum; and

    (b) all patches and appropriate security updates completed regularly on the operating system and all software installed on the workstations at a minimum monthly.

Physical Security

20. The Service Provider will ensure that adequate physical controls and processes are implemented to ensure that only authorized personnel have physical access to the Service Provider's infrastructure, Systems, management network, and physical management ports.

Change Control

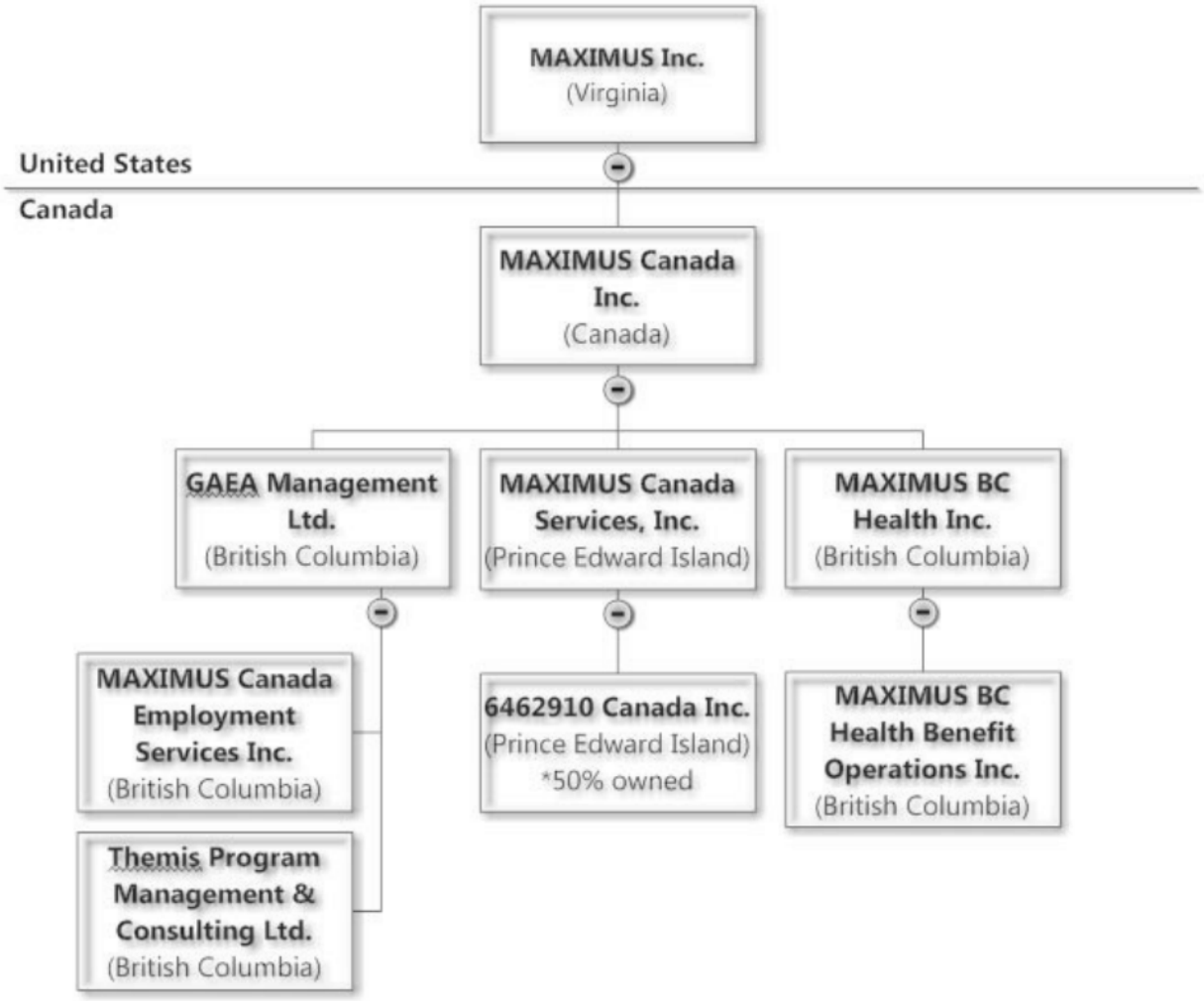
21. The Service Provider will ensure that change control processes are implemented and maintained in line with applicable industry best practices and standards to reduce security-related risks with respect to implemented significant changes. The Service Provider will ensure that adequate testing of any change is completed either before or during the implementation of such change but before being put into production.

Asset Disposal

22. The Service Provider will ensure that all asset disposal related to the Services will be done in a secure manner.

SCHEDULE 20

CORPORATE CHART



The corporate chart above is current as of the date of the Agreement.

Unless otherwise indicated, all ownership interests are 100% by the parent company shown in the chart.

SCHEDULE 21

BUSINESS CONTINUITY

1. OVERVIEW

This **Schedule 21** (*Business Continuity*) sets out the business continuity and disaster recovery requirements for the Services.

2. GENERAL

As part of the Services, the Service Provider will:

(a) implement, on or before the Hand-Over Date, the Business Continuity Plan for the Services and update such plan as may be reasonably determined necessary by the Service Provider;

(b) ensure that the Business Continuity Plan at all times expressly address all Force Majeure Events and Labour Disruptions;

(c) from and after the Hand-Over Date, assume all responsibility for the establishment and maintenance (including all related management, training, planning, plans, work products and deliverables) of the Business Continuity Plan for the Services, having regard to the roles and responsibilities of the Parties as set forth in Section 3 (*Roles and Responsibilities*) below; and

(d) be responsible for all costs in respect of any updates to the Business Continuity Plan, unless specifically agreed otherwise by the Parties under the terms of this Agreement.

For greater clarification, the updated Business Continuity Plan for the Services will be implemented and maintained by the Service Provider for the Term of this Agreement, subject to further amendments by the Service Provider in accordance with the terms of this Schedule, and will thereafter be, and be deemed to be, the Business Continuity Plan for purposes of this Agreement.

3. ROLES AND RESPONSIBILITIES

The roles and responsibilities of the Parties in respect of the Business Continuity Plan for the Services will be as set forth in this Schedule including, without limitation, the following:

(a) the roles and responsibilities of the Province are as follows:

(i) to appoint a Province Business Continuity Representative;

(ii) to lead the Province's internal business continuity planning;

(iii) to provide standards and templates to the Service Provider if and to the extent that the Province requires that the Service Provider use or follow the same;

(iv) at the request of the Service Provider, to provide clarification regarding the interpretation or application of applicable Province Policies;

(v) to participate in and review any test activities of the Business Continuity Plan for the Services;

(vi) to communicate with Province Ministries regarding the integration and co-ordination of the Service Provider's Business Continuity Plan for the Services with those for other services or operations of the Province;

(vii) to establish applicable Recovery Time Objectives in respect of the Business Continuity Plan for the Services, in consultation with the Service Provider through the Governance Process; and

(b) the roles and responsibilities of the Service Provider are as follows:

(i) to comply with the applicable Province Policies, and the terms of this Agreement, relating to business continuity and disaster recovery, and upon receipt of a written notice from the Province that the Business Continuity Plan does not so comply with the same, to forthwith update and amend the Business Continuity Plan to the extent required for the Business Continuity Plan to be fully compliant with the applicable Province Policies and the requirements of this Agreement;

(ii) to take responsibility for the Business Continuity Plan in respect of the Services, in accordance with the provisions of this Schedule, and perform its obligations with respect to business continuity and disaster recovery set out in this Schedule;

(iii) to ensure that its Subcontractors are able to meet the requirements of the Business Continuity Plan for the Services to the extent applicable to them,

(iv) to provide the Province with information and cooperation (and participation) in respect of the Business Continuity Plan for the Services as may be requested by the Province from time to time,

(v) to notify the Province (through the Province Business Continuity Representative) in the event of the declaration of a Disaster and the resulting requirement to activate a Business Continuity Plan for the Services, and

(vi) to ensure the effectiveness, preparedness and ability of the Service Provider to execute the Business Continuity Plan for the Services.

4. SERVICE PROVIDER REPRESENTATIVE

The Service Provider will designate a "Business Continuity Representative, to be responsible for:

(a) the upkeep, testing and implementation of the Business Continuity Plan for the Services; and

(b) acting as the liaison with the Province to ensure the integration of the Service Provider's Business Continuity Plan for the Services with those of the Province and Stakeholders (to the extent applicable).

The Service Provider will also designate an alternate representative (or representatives) to act as the "Business Continuity Representative" if the original designated representative is unavailable for any reason.

5. PLAN MANAGEMENT AND ANNUAL REVIEWS

From and after the Hand-Over Date, the Service Provider will be responsible for managing the continuity of the Services, in accordance with the Province Policies with respect to business continuity and disaster recovery, and pursuant to the Business Continuity Plan for the Services. The management of the Business Continuity Plan will include, without limitation, the following, with respect to business continuity and disaster recovery:

(a) the performance in each Contract Year of business impact assessments in respect of the Services;

(b) the performance in each Contract Year of strategic risk assessments in respect of the Services, the results of which will be reflected in the Agreement Risk Register;

(c) the development of risk mitigation and business continuity and disaster recovery treatments in respect of the Services;

(d) to the extent applicable, the development of a Business Continuity Plan specifically for any essential Services as may be so notified by the Province to the Service Provider from time to time; and

(e) a review and update of the Business Continuity Plan for the Services at least once per Contract Year.

Any changes to the Business Continuity Plan for the Services may be submitted by the Service Provider to the Province in accordance with the Governance Process, or through the Province through the Change Order Process, as applicable. For greater clarification, the Province will have the right to review any changes to the Business Continuity Plan for the Services prior to implementation thereof.

6. RECOVERY TIME OBJECTIVES

The Recovery Time Objectives for the Services will be reviewed, confirmed and Approved by the Province through the Governance Process within five months after the Effective Date. Thereafter, and in each Contract Year, the Province and the Service Provider will review the Recovery Time Objectives, and will mutually agree on any revisions to the Recovery Time Objectives through the Governance Process, or will otherwise amend the Recovery Time Objectives through the Change Order Process, as applicable.

7. TESTING OF BUSINESS CONTINUITY PLAN

The testing of the Business Continuity Plan for the Services will be performed by the Service Provider in accordance with the applicable Province Policies in respect thereof. The testing will consist of process walkthrough and awareness testing (as opposed to full production testing), except as specifically provided otherwise below. Such testing will include the following (to the extent consistent with the foregoing and as may applicable to the Service Provider):

(a) the Service Provider will complete a test of the Business Continuity Plan for the Services annually following the Hand-Over Date;

(b) the Service Provider will test the Business Continuity Plan for the Services with the following frequency:

(i) the Service Provider will complete a test of the Business Continuity Plan not less than 180 days after the Hand-Over Date, which test of the Business Continuity Plan shall consists of a process walkthrough and awareness testing;

(ii) the Service Provider will test the Business Continuity Plan annually following the initial test described in paragraph (a) above, within 30 days of the anniversary date of the initial test; and

(iii) the Service Provider will complete a test of the Business Continuity Plan within 30 days after implementing any material change in respect of the Services (including, without limitation, any material change in the technology, processes, facilities, infrastructure, Systems or Recovery Time Objectives), for purposes of determining the impact of such material changes to the Services and the effectiveness of the Business Continuity Plan in respect thereof;

(c) the testing will include fail-over testing from the Service Provider's production facility to its back-up site;

(d) the Service Provider may carry out the fail-over tests at such times and in such manner (including a single complete test or successive partial tests) as the Service Provider deems appropriate;

(e) the Service Provider will conduct the testing in a manner that causes minimal disruption to the ongoing operations of the Services, and in full consultation with the Province;

(f) the Service Provider will complete a test of the Business Continuity Plan for the Services within such period as is specified in paragraph (b) above of implementing any material change in respect of the Services (including, without limitation, any material change in the technology, processes, facilities, infrastructure, Systems or Recovery Time Objectives), for purposes of determining the impact of such material changes to the Services and the effectiveness of the Business Continuity Plan in respect thereof;

(g) the Province will have the right to participate in any testing of the Business Continuity Plan for the Services as an observer in the testing process and to review any results of such testing; and

(h) within 30 days of any testing conducted by the Service Provider in respect of the Business Continuity Plan for the Services, the Service Provider will prepare and submit to the Province, through the Governance Process, a report detailing the results of such testing and listing any deficiencies in respect thereof, together with the Service Provider's proposed action plan and assigned responsibilities and timelines that will be undertaken by the Service Provider to address such deficiencies, and the Service Provider will forthwith take all such steps and to all such things as may be necessary to carry-out and implement such action plan.

8. ACTUAL DISASTER

In the event of a Disaster, or either Party's anticipation of a Disaster, the following provisions will apply:

(a) if the Service Provider is prevented from, or delayed in, performing any of its obligations under this Agreement as a result of the Disaster, or anticipates that it will be so prevented or delayed, then the Service Provider will promptly notify the Province thereof, and will provide the Province with a follow-up written notice within two Business Days of the Service Provider becoming aware of the potential disruption, non-performance or delay, the particulars thereof including details of the nature of the event causing the same, its expected duration and the obligations under this Agreement that will be affected as a result;

(b) the Service Provider will continue to provide detailed reports to the Province with respect to such disruption, non-performance or delay, on a timely basis during the continuance thereof;

(c) the Service Provider will restore all Services in accordance with the Business Continuity Plan for the Services (including the redeployment or reassignment of other available personnel to assist with the implementation of the Business Continuity Plan), having regard to the nature and extent of the Disaster and its impact on the Services and the Province and users of the Services;

(d) to the extent that the Disaster is not addressed or not fully addressed in the Business Continuity Plan for the Services, the Service Provider will use its best efforts to restore the Services;

(e) within 30 days of the recovery of the Services as a result of the implementation of the Business Continuity Plan for the Services, the Service Provider will provide the Province with a written report detailing the root cause of the disruption, the steps taken by the Service Provider in respect thereof, and any recommendations that the Service Provider may have with respect to improving the Business Continuity Plan for the Services (including the responsibilities and timelines referred to therein);

(f) subject to the provisions of Article 30 (*Force Majeure and Labour Disruption*) of the main body of the Agreement, if contrary to the Recovery Time Objectives, or as a result of the negligence of the Service Provider, the Service Provider does not materially restore the Services in accordance with the Business Continuity Plan for the Services, then the Province will be entitled to procure such services from another service provider (to the extent possible), and may off-set the costs thereof against the Fees payable to the Service Provider in accordance with Section 16.6 (*Right of Set-Off*) of the main body of this Agreement; and

(g) notwithstanding the foregoing, the Province will retain the right to audit, sign-off and confirm the full recovery of the delivery of the Services following the implementation of the Business Continuity Plan for the Services.

SCHEDULE 22

PERFORMANCE GUARANTEE

PERFORMANCE GUARANTEE

This Guarantee is executed as of January 1, 2017, by MAXIMUS Canada Inc. ("**Guarantor**"), a corporation continued under the laws of Canada with an office at 716 Yates Street, Victoria, BC, for the benefit of HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA (the "**Province**"), as represented by the Minister of Technology, Innovation and Citizens' Services.

WHEREAS, MAXIMUS Canada Services, Inc. ("**Subsidiary**"), a company incorporated under the laws of Prince Edward Island with a place of business at 716 Yates Street, Victoria, BC and the Province concurrently herewith have executed a certain Master Services Agreement (the "**Agreement**") dated as of January 1, 2017 (terms capitalized in this Guarantee but not defined in this Guarantee shall have the meanings given to them in the Agreement); and

WHEREAS, as a condition to entering into the Agreement, the Province has required that Guarantor deliver this written Guarantee of the obligations of Subsidiary set forth in the Agreement.

NOW THEREFORE Guarantor makes this Guarantee knowing that the Province shall rely on this Guarantee in entering into the Agreement. Guarantor conclusively acknowledges that reliance by the Province on this Guarantee is in every respect justifiable and that it received adequate and fair and valuable consideration for this Guarantee, the receipt and adequacy of which are hereby acknowledged. Subject to the terms and conditions hereof, Guarantor hereby agrees as follows:

1. **GUARANTEE**

1.1 **Guaranteed Obligations.** For purposes of this Guarantee, "**Guaranteed Obligations**" means the performance obligations, debts and liabilities of Subsidiary, of any kind and in each case arising under, pursuant to, or in connection with the Agreement.

1.2 **Performance Guarantee.** Guarantor hereby absolutely, unconditionally and irrevocably guarantees to the Province the due performance and fulfillment by Subsidiary of the Guaranteed Obligations, all in accordance with and subject to the terms and conditions of this Guarantee. If Subsidiary defaults in any material respect in the performance of any of the Guaranteed Obligations (other than for reasons which result in Subsidiary being excused from performing such obligations), and fails to cure such default prior to the expiration of any applicable notice or cure period, then within a reasonable period of time following Guarantor's receipt of written notice from the Province of Subsidiary's default, Guarantor shall cause the Guaranteed Obligations to be performed, fulfilled or otherwise satisfied in accordance with the terms and conditions of the Agreement and in so doing, Guarantor shall comply with the terms of the Agreement, including Article 17 of the Agreement, as though Guarantor were the named party therein in the place of Subsidiary, and at no cost to the Province other than as provided in the Agreement.

2. CONTINUING NATURE OF GUARANTEE

2.1 **Continuing and Irrevocable.** This Guarantee shall be continuing and irrevocable until the earlier to occur of: (i) satisfaction of the Guaranteed Obligations; and (ii) termination of the Agreement other that as a result of a default by Subsidiary.

2.2 **Limitation of Liability.** The liability of Guarantor under this Guarantee, including any liability of Guarantor in connection with the Agreement, shall be coextensive with, but not in excess of, the liability of Subsidiary to the Province under the Agreement, and Guarantor shall be entitled to the benefit of and may assert all rights, defenses, counterclaims, and other protections to which Subsidiary may be entitled with respect to any such liability, including without limitation, all provisions of the Agreement relating to the limitation of liability, limitation periods with respect to Claims under the Agreement and the resolution of disputes. In no event shall the aggregate liability of Guarantor, any other Affiliate of Guarantor who may have provided a guarantee of Subsidiary's obligations and Subsidiary under this Guarantee, any other such guarantee and the Agreement exceed the liability of Subsidiary under the Agreement. Notwithstanding the foregoing, Guarantor shall not be entitled to the benefit of the defenses, counterclaims and protections described in Section 2.3 below except to the extent that such defenses, counterclaims and protections are available to Subsidiary.

2.3 **No Release.** The liability of Guarantor under this Guarantee shall not be released, reduced (except as provided below), impaired or affected by or as a result of any matter or thing whatsoever that would otherwise release or discharge a guarantor or limit its obligations (except as set forth in Section 2.2 above), including any of the following:

(a) any withdrawal of any demand (including the commencement and continuance of any legal proceedings) by the Province for performance by Guarantor of any Guaranteed Obligations under this Guarantee;

(b) if, whether or not with Guarantor's knowledge, the Province grants extensions of time, renewals, indulgences, amendments, modifications, waivers, releases, discharges, makes any compromise or transaction or arrangement, or otherwise deals with any of the Guaranteed Obligations, the Agreement, Subsidiary, or with any security, guarantee or similar assurance held by it;

(c) any compromise by the Province of any of the Guaranteed Obligations or any other guarantee in respect thereof;

(d) the voluntary or involuntary liquidation, dissolution, consolidation or merger (or the sale or other disposition of all or part of the assets) of Guarantor or Subsidiary or any of their respective Affiliates;

(e) insolvency, bankruptcy, receivership, assignment for the benefit of creditors or reorganization, arrangement, composition or readjustment of debt, or other similar proceeding affecting Guarantor, Subsidiary or any of their respective Affiliates, or any similar proceedings instituted by or against Guarantor, Subsidiary or the assets of either of them; or

(f) the failure of the Province or any other party to take, protect or preserve any rights, security, guarantee or similar assurance of Subsidiary or any other Affiliate of Subsidiary, whether or not caused or resulting from any act or omission of the Province or any person acting for the Province or for whom the Province may be responsible.

3. **PROCEEDINGS UNDER GUARANTEE**

3.1 **Proceeding Against Guarantor**. The Province shall not proceed against Guarantor in respect of the Guaranteed Obligations until Subsidiary shall have defaulted in a material respect in the performance of such Guaranteed Obligations (other than for reasons which result in Subsidiary being excused from performing such obligations), and shall have failed to cure such default prior to the expiration of any applicable notice or cure period. The Province shall provide Guarantor with a copy of any notice of default delivered by the Province to Subsidiary at the same time as such notice of default is delivered by the Province to Subsidiary. Any failure by the Province to pursue rights or remedies against any guarantor shall not relieve Guarantor from its obligations under this Guarantee.

3.2 **Reinstatement.** This Guarantee shall be reinstated if at any time any amounts received on account of any Guaranteed Obligations must be returned by the Province upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Guarantor, Subsidiary or any of their respective Affiliates.

3.3 **Set Off**. Any amounts owed to Subsidiary by the Province under the Agreement or otherwise in respect of the Services, but excluding any amounts under Dispute, may be set-off by Guarantor against the Guaranteed Obligations.

4. **REPRESENTATIONS, WARRANTIES AND OTHER COVENANTS**

4.1 **Representations**. Guarantor represents and warrants as follows to the Province, as of the date of this Guarantee, and acknowledges and agrees that the Province is relying on such representations and warranties and is entitled to do so in entering into this Guarantee and the Agreement:

(a) Guarantor is a corporation duly continued and validly existing under the laws of Canada and is in good standing with respect to the filing of annual returns thereunder, and Guarantor is an Affiliate of MAXIMUS Inc., a corporation incorporated under the laws of the State of Virginia, and the Subsidiary;

(b) Guarantor has all necessary power, capacity and legal authority to enter into, execute and deliver this Guarantee and to perform its obligations hereunder, and this Guarantee has been duly executed and delivered by Guarantor, and constitutes a legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights, and to the fact that specific performance and injunctive relief are equitable remedies available only in the discretion of the court;

(c) neither the execution and delivery of this Guarantee, nor the compliance with the terms of this Guarantee by Guarantor:

(i) has resulted or will result in a violation of any Applicable Laws;

(ii) has resulted or will result in a breach of, or constitute a default under, Guarantor's constating documents, any shareholders' agreement to which it is a party or any shareholder or directors' resolutions, which would have a material adverse effect on Guarantor's ability to perform its obligations under this Guarantee, or

(iii) has resulted or will result in a breach of, or constitute a default under any instrument or agreement to which Guarantor is a party or by which Guarantor is bound, which breach or default would have a material adverse effect on Guarantor's ability to perform its obligations under this Guarantee.

4.2 **Taxes.** Any and all payments by Guarantor to the Province under this Guarantee shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding those that shall be adjusted for in accordance with this Section. If Guarantor shall be required by law to deduct any such amounts from or in respect of any sum payable to the Province under this Guarantee, then:

(a) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Province will receive an amount equal to the sum it would have received had no such deductions been made;

(b) Guarantor shall make such deductions; and

(c) Guarantor shall pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Laws.

5. MISCELLANEOUS

5.1 **Consideration.** It is a condition of the grant, execution and delivery of the Agreement that Guarantor execute and deliver this Guarantee. Guarantor acknowledges and agrees that the grant, execution and delivery of the Agreement by the Subsidiary is in the best interests of Guarantor and that Guarantor expects to derive benefit therefrom. Guarantor makes this Guarantee knowing that the Province shall rely on this Guarantee in entering into the Agreement. Guarantor conclusively acknowledges that reliance by the Province hereon is in every respect justifiable and that it received adequate and fair consideration for this Guarantee.

5.2 **Agreement.** Guarantor acknowledges receipt of a copy of the Agreement. Guarantor expressly agrees that: (i) the Province is not required to provide Guarantor with, and Guarantor hereby waives any right to receive from the Province, copies of any amendments to the Agreement (including any Change Orders); and (ii) the obligations of Guarantor to the Province under this Guarantee shall in no way be affected, diminished or otherwise limited as a result of any amendments made by Subsidiary and the Province to the Agreement.

5.3 **Enurement and Assignment.** This Guarantee is for the benefit of the Province and its permitted successors and assigns. This Guarantee will be binding upon Guarantor and enure to the benefit of the Province, and their respective successors and permitted assigns. Guarantor may not assign its obligations under this Guarantee or any part thereof without the prior written consent of the Province. The Province may assign this Guarantee and its benefits and interest therein in conjunction with the assignment of the interest of the Province in, to and under the Agreement in accordance with their terms.

5.4 **Notice.** Wherever under this Guarantee Guarantor or the Province is required or permitted to give notice to, inform or advise the other, such notice shall be in writing and shall be delivered personally or sent by nationally recognized express courier. Any such notice shall be deemed given when actually received and shall be addressed as follows:

To the Province:

The Province of British Columbia
3rd Floor – 836 Yates Street
Victoria, British Columbia
V8W 1X7

Attn: Executive Director, Service Delivery, Service BC

To Guarantor:

MAXIMUS Canada Inc.
Attn: Director of Contracts
PO Box 8859, Stn Central
Victoria, BC
V8W 3Z1

Guarantor or the Province may change its address for notices upon giving prior written notice of the change to the other in the manner provided above.

5.5 **Amendments.** No modification, amendment or waiver of any of the provisions of this Guarantee shall be binding upon the Province unless expressly set forth in a writing signed on behalf of the Province, and then shall be effective only in the specific instance and for the purpose for which given.

5.6 **Waiver.** The observance of any term of this Guarantee may be waived by the Province, but such waiver shall be effective only if it is in writing and signed by the Province. No delay or omission on the part of the Province in exercising any right or privilege under this Guarantee shall operate as a waiver thereof, nor shall any waiver on the part of the Province of any right or privilege under this Guarantee operate as a waiver of any other right or privilege under this Guarantee nor shall any single or partial exercise of any right or privilege preclude any other or further exercise thereof or the exercise of any other right or privilege under this Guarantee. A waiver by the Province of any right or remedy on any occasion shall not be construed as a bar to any right or remedy that the Province would otherwise have on any future occasion.

5.7 **Further Assurances.** Guarantor will, from time to time, execute and deliver all such further documents and instruments and do all such further acts and things as the Province may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Guarantee.

5.8 **Costs.** In the event of any legal proceedings related to this Guarantee, the prevailing party shall be entitled to recover from the non-prevailing party reasonable legal fees and costs.

5.9 **Disputes.** Any dispute relating to this Guarantee shall be resolved in accordance with the dispute resolution procedures contained in the Agreement.

5.10 **Governing Law.** This Guarantee shall be governed by and construed in accordance with the laws, other than choice of law rules, of the Province of British Columbia and, to the extent applicable, the federal laws of Canada. Guarantor hereby irrevocably submits to the exclusive jurisdiction of the courts of the Province of British Columbia and agree that any action it commences which may be brought in connection with this Guarantee shall be brought in the Province of British Columbia. The Province may commence any action, proceeding or claim in any jurisdiction to enforce its rights or cause Guarantor to perform its obligations under this Guarantee.

IN WITNESS WHEREOF, Guarantor has caused this Guarantee to be executed and delivered by its duly authorized representative, as of the date and year first set forth above.

MAXIMUS CANADA INC.

By: _____

Name: R.D. Lang

Title: President

SCHEDULE 23

CORPORATE GUARANTEE

This Guarantee is executed as of January 1, 2017, by MAXIMUS Inc. ("**Guarantor**"), a corporation incorporated under the laws of State of Virginia with an office at 11419 Sunset Hills Road, Reston, Virginia, U.S.A. for the benefit of HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA (the "**Province**"), as represented by the Minister of Technology, Innovation and Citizens' Services.

WHEREAS, MAXIMUS Canada Services, Inc**.** (the "**Service Provider**"), a company incorporated under the laws of Prince Edward Island with a place of business at 716 Yates Street, Victoria, BC and the Province concurrently herewith executed a certain Master Services Agreement (the "**Agreement**") dated as of January 1, 2017 (terms capitalized in this Guarantee but not defined in this Guarantee shall have the meanings given to them in the Agreement); and

WHEREAS, as a condition to entering into the Agreement, the Province requires Guarantor to deliver this Guarantee.

NOW THEREFORE Guarantor makes this Guarantee knowing that the Province shall rely on this Guarantee in entering into the Agreement. Guarantor conclusively acknowledges that reliance by the Province on this Guarantee is in every respect justifiable and that it received adequate and fair and valuable consideration for this Guarantee, the receipt and adequacy of which are hereby acknowledged. Subject to the terms and conditions hereof, Guarantor hereby agrees as follows:

1. GUARANTEE AND UNDERTAKING

1.1 **Guaranteed Obligations.** For purposes of this Guarantee, "**Guaranteed Obligations**" means the payment of all debts and liabilities of the Service Provider to the Province arising from the Service Provider's performance of, or failure to perform, its obligations under, pursuant to, or in connection with the Agreement.

1.2 **Guarantee.** Guarantor hereby absolutely, unconditionally and irrevocably guarantees to the Province the performance by the Service Provider of the Guaranteed Obligations of the Service Provider, all in accordance with and subject to the terms and conditions of this Guarantee. If the Service Provider defaults in any material respect in the performance of any of the Guaranteed Obligations (other than for reasons which result in the Service Provider being excused from performing such obligations), and fails to cure such default prior to the expiration of any applicable notice or cure period, then within a reasonable period of time following Guarantor's receipt of written notice from the Province of the Service Provider's default, Guarantor shall cause to be performed the Guaranteed Obligations in accordance with the terms and conditions of the Agreement, and at no cost to the Province other than as provided in the Agreement.

2. CONTINUING NATURE OF GUARANTEE

2.1 **Continuing and Irrevocable.** This Guarantee shall be continuing and irrevocable until all of the Guaranteed Obligations have been fulfilled or otherwise satisfied, at which time this Guarantee shall automatically terminate and expire.

2.2 **Limitation of Liability.** The liability of Guarantor under this Guarantee shall be coextensive with, but not in excess of, the liability of the Service Provider to the Province under the

Agreement, and Guarantor shall be entitled to the benefit of and may assert all rights, defenses, counterclaims, and other protections to which the Service Provider may be entitled with respect to any such liability, including without limitation, all provisions of the Agreement relating to the limitation of liability, limitation periods with respect to Claims under the Agreement and the resolution of disputes. In no event shall the aggregate liability of Guarantor, any other Affiliate of the Service Provider who may have provided a guarantee of the Service Provider's obligations and the Service Provider under this Guarantee, any other such guarantee and the Agreement exceed the liability of the Service Provider under the Agreement. Notwithstanding the foregoing, Guarantor shall not be entitled to the benefit of the defenses, counterclaims and protections described in Section 2.3 below except to the extent that such defenses, counterclaims and protections are available to the Service Provider.

2.3 **No Release.** The liability of Guarantor under this Guarantee shall not be released, reduced (except as provided below), impaired or affected by or as a result of any matter or thing whatsoever that would otherwise release or discharge a guarantor or limit its obligations (except as set forth in Section 2.2 above), including any of the following:

(a) any withdrawal of any demand (including the commencement and continuance of any legal proceedings) by the Province for performance by Guarantor of any Guaranteed Obligations under this Guarantee;

(b) if, whether or not with Guarantor's knowledge, the Province grants extensions of time, renewals, indulgences, amendments, modifications, waivers, releases, discharges, makes any compromise or transaction or arrangement, or otherwise deals with any of the Guaranteed Obligations, the Agreement, the Service Provider, or with any security, guarantee or similar assurance held by it;

(c) any compromise by the Province of any of the Guaranteed Obligations or any other guarantee in respect thereof;

(d) the voluntary or involuntary liquidation, dissolution, consolidation or merger (or the sale or other disposition of all or part of the assets) of Guarantor or the Service Provider or any of their respective Affiliates;

(e) insolvency, bankruptcy, receivership, assignment for the benefit of creditors or reorganization, arrangement, composition or readjustment of debt, or other similar proceeding affecting Guarantor, the Service Provider or any of their respective Affiliates, or any similar proceedings instituted by or against Guarantor, the Service Provider or the assets of either of them; or

(f) the failure of the Province or any other party to take, protect or preserve any rights, security, guarantee or similar assurance of the Service Provider or any other Affiliate of the Service Provider), whether or not caused or resulting from any act or omission of the Province or any person acting for the Province or for whom the Province may be responsible.

3. PROCEEDINGS UNDER GUARANTEE

3.1 **Proceeding Against Guarantor.** The Province shall not proceed against Guarantor in respect of the Guaranteed Obligations until the Service Provider shall have defaulted in a material respect in the performance of such Guaranteed Obligations (other than for reasons which result in the Service Provider being excused from performing such obligations), and shall have failed to cure such default prior to the

expiration of any applicable notice or cure period. The Province shall provide Guarantor with a copy of any notice of default delivered by the Province to the Service Provider at the same time as such notice of default is delivered by the Province to the Service Provider. Any failure by the Province to pursue rights or remedies against any other guarantor shall not relieve Guarantor from its obligations under this Guarantee.

3.2 **Reinstatement.** This Guarantee shall be reinstated if at any time any amounts paid on account of any Guaranteed Obligations must be returned by the Province upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Guarantor, the Service Provider or any of their respective Affiliates.

3.3 **Set Off**. Any amounts owed to the Service Provider by the Province under the Agreement or otherwise in respect of the Services, but excluding any amounts under Dispute, may be set-off by Guarantor against the Guaranteed Obligations.

4. REPRESENTATIONS, WARRANTIES AND OTHER COVENANTS

4.1 **Representations**. Guarantor represents and warrants as follows to the Province, as of the execution date of this Guarantee, and acknowledges and agrees that the Province is relying on such representations and warranties and is entitled to do so in entering into this Guarantee and the Agreement:

(a) Guarantor is a corporation duly incorporated and validly existing under the laws of State of Virginia and is in good standing under such laws;

(b) Guarantor has all necessary power, capacity and legal authority to enter into, execute and deliver this Guarantee and to perform its obligations hereunder, and this Guarantee has been duly executed and delivered by Guarantor, and constitutes a legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights, and to the fact that specific performance and injunctive relief are equitable remedies available only in the discretion of the court;

(c) neither the execution and delivery of this Guarantee, nor the compliance with the terms of this Guarantee by Guarantor:

(i) has resulted or will result in a violation of any applicable laws;

(ii) has resulted or will result in a breach of, or constitute a default under, Guarantor's constating documents, any shareholders' agreement to which it is a party or any shareholder or directors' resolutions, which would have a material adverse effect on Guarantor's ability to perform its obligations under this Guarantee, or

(iii) has resulted or will result in a breach of, or constitute a default under any instrument or agreement to which Guarantor is a party or by which Guarantor is bound, which breach or default would have a material adverse effect on Guarantor's ability to perform its obligations under this Guarantee.

4.2 **Taxes.** Any and all payments by Guarantor to the Province under this Guarantee shall be made free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding those that shall be

adjusted for in accordance with this Section. If Guarantor shall be required by law to deduct any such amounts from or in respect of any sum payable to the Province under this Guarantee, then:

(a) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Province will receive an amount equal to the sum it would have received had no such deductions been made;

(b) Guarantor shall make such deductions; and

(c) Guarantor shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable laws.

5. MISCELLANEOUS

5.1 **Consideration.** It is a condition of the grant, execution and delivery of the Agreement that Guarantor execute and deliver this Guarantee. Guarantor acknowledges and agrees that the grant, execution and delivery of the Agreement by the Service Provider is in the best interests of Guarantor and that Guarantor expects to derive benefit therefrom. Guarantor makes this Guarantee knowing that the Province shall rely on this Guarantee in entering into the Agreement. Guarantor conclusively acknowledges that reliance by the Province hereon is in every respect justifiable and that it received adequate and fair consideration for this Guarantee.

5.2 **Agreement.** Guarantor acknowledges that it is aware of the obligations of the Service Provider under the Agreement. Guarantor expressly agrees that: (i) the Province is not required to provide Guarantor with, and Guarantor hereby waives any right to receive from the Province, copies of the Agreement or any amendments to the Agreement (including any Change Orders); and (ii) the obligations of Guarantor to the Province under this Guarantee shall in no way be affected, diminished or otherwise limited as a result of any amendments made by the Service Provider and the Province to the Agreement.

5.3 **Enurement and Assignment.** This Guarantee is for the benefit of the Province and its permitted successors and assigns. This Guarantee will be binding upon Guarantor and enure to the benefit of the Province, and their respective successors and permitted assigns. Guarantor may not assign its obligations under this Guarantee or any part thereof without the prior written consent of the Province. The Province may assign this Guarantee and its benefits and interest therein in conjunction with the assignment of the interest of the Province in, to and under the Agreement in accordance with their terms.

5.4 **Notice**. Wherever under this Guarantee Guarantor or the Province is required or permitted to give notice to, inform or advise the other, such notice shall be in writing and shall be delivered personally or sent by nationally recognized express courier. Any such notice shall be deemed given when actually received and shall be addressed as follows:

To the Province:

The Province of British Columbia
3rd Floor – 836 Yates Street
Victoria, British Columbia V8W 1X7

Attn: Executive Director, Service Delivery, Service BC

To Guarantor:

MAXIMUS Canada Services, Inc.
Attn: Director of Contracts
PO Box 8859, Stn Central
Victoria, BC
V8W 3Z1

Guarantor or the Province may change its address for notices upon giving prior written notice of the change to the other in the manner provided above.

5.5 **Amendments**. No modification, amendment or waiver of any of the provisions of this Guarantee shall be binding upon the Province unless expressly set forth in a writing signed on behalf of the Province, and then shall be effective only in the specific instance and for the purpose for which given.

5.6 **Waiver**. The observance of any term of this Guarantee may be waived by the Province, but such waiver shall be effective only if it is in writing and signed by the Province. No delay or omission on the part of the Province in exercising any right or privilege under this Guarantee shall operate as a waiver thereof, nor shall any waiver on the part of the Province of any right or privilege under this Guarantee operate as a waiver of any other right or privilege under this Guarantee nor shall any single or partial exercise of any right or privilege preclude any other or further exercise thereof or the exercise of any other right or privilege under this Guarantee. A waiver by the Province of any right or remedy on any occasion shall not be construed as a bar to any right or remedy that the Province would otherwise have on any future occasion.

5.7 **Further Assurances**. Guarantor will, from time to time, execute and deliver all such further documents and instruments and do all such further acts and things as the Province may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Guarantee.

5.8 **Costs**. In the event of any legal proceedings related to this Guarantee, the prevailing party shall be entitled to recover from the non-prevailing party reasonable legal fees and costs.

5.9 **Disputes**. Any dispute relating to this Guarantee shall be resolved in accordance with the dispute resolution procedures contained in the Agreement.

5.10 **Governing Law**. This Guarantee shall be governed by and construed in accordance with the laws, other than choice of law rules, of the Province of British Columbia and, to the extent applicable, the federal laws of Canada. Guarantor hereby irrevocably submits to the exclusive jurisdiction of the courts of the Province of British Columbia and agree that any action it commences which may be brought in connection with this Guarantee shall be brought in the Province of British Columbia. The Province may commence any action, proceeding or claim in any jurisdiction to enforce its rights or cause Guarantor to perform its obligations under this Guarantee.

IN WITNESS WHEREOF, Guarantor has caused this Guarantee to be executed and delivered by its duly authorized representative, as of the date and year first set forth above.

MAXIMUS INC.

By: Richard A. Montoni

Name: Richard A. Montoni

Title: CEO

SCHEDULE 24

INSURANCE

1. The Service Provider must, without limiting the Service Provider's obligations or liabilities and at the Service Provider's own expense, purchase and maintain throughout the Term the following insurance(s) with insurers licensed to do business in Canada in the types and amounts acceptable to the Province:

   (a) Commercial General Liability in an amount not less than ten million dollars ($10,000,000) inclusive per occurrence, which limit may be provided by way of any combination of underlying and umbrella or excess policy or policies, against bodily injury (including death), personal and advertising injury, and property damage and including contractual liability, and this insurance must:

      (i) include the Province as an additional insured; and

      (ii) include a cross liability clause.

   (c) Professional Errors and Omissions Liability insuring the Service Provider's liability resulting from its wrongful acts, errors or omissions in the performance of the Services provided by the Service Provider in an amount of ten million dollars ($10,000,000) per claim.

   (d) Network Interruption, Security and Privacy Breach Liability, including for cyber liability, breach of confidential or personal information and the loss, damage, destruction, distortion, erasure, corruption or alteration of electronic data (including computer virus) or loss of use, reduction in functionality, cost, or expense resulting therefrom, for a limit of not less than ten million dollars ($10,000,000) per occurrence, and such policy will include the Province as additional insured.

   (e) All-risk Property insurance against physical loss or damage in an amount sufficient to replace the Service Provider's equipment and other property used to provide the Services and any other property in the care , custody or control of the Service Provider in connection with the Services, including the perils of earthquake and flood, which insurance must include applicable coverage for business contents, the Service Provider's computer and electronic data processing equipment and media to full replacement cost value, business interruption to compensate the Service Provider for loss of revenue resulting from or attributable to any insured perils for up to 24 months (with up to a 7 day waiting period), extra expense necessarily incurred by the Service Provider to continue normal operations which are interrupted as a result of an insured property loss, and data and programmes on computer media that, if lost or damaged, would impair the Service Provider's ability to perform the Services. This insurance must include a waiver of subrogation in favour of the Province.

2. Each insurance policy for the above described insurance coverage must be primary and not require the sharing of any loss by any insurer of the Province and, subject to Section 3 of this Schedule, will be endorsed to provide the Province with thirty (30) days prior written notice of reduction in limits, cancellation or non-renewal.

3. When insurers are unable to endorse any required policy of insurance to provide prior written notice to the Province of reduction in limits, cancellation or non-renewal, the Service Provider will provide thirty (30) days prior written notice to the Province of any reduction in limits, cancellation, non-renewal or other adverse material change for any such policy.

4. If any required policy of insurance referred to in Section 1 of this Schedule is combined with, or shares a liability limit with, any other policy required under this Schedule, then the insurance policy that covers the combined requirements shall be in an amount not less than the combined amount of the individual minimum amounts required for all such policies as set out in Section 1 of this Schedule, and each applicable Province of British Columbia Certificate of Insurance shall be annotated with the details of the combined policy accordingly.

SCHEDULE 25

PROVINCE SHARED INFRASTRUCTURE

As of the Effective Date, there is no Province Shared Infrastructure.

SCHEDULE 26

SP TECHNOLOGY CAPABILITIES

1. Purpose of Schedule.

This Schedule outlines the technology capabilities to be provided by the Service Provider during the Term of the Agreement, with specific reference to those capabilities that:

a) will be implemented, configured and ready for use as of the Hand-Over Date and are included in the Base Fees;

b) are included within Systems that form part of the SP Technology Platforms but will not be configured for use without incremental effort on the part of the Service Provider that is not included in the Base Fees; and

c) are potential future capabilities that would require incremental software, hardware, licenses and/or effort to make available, but that are commonly available capabilities that could be integrated with the Systems that form part of the SP Technology Platforms.

For clarity, notwithstanding the identification and itemizing of particular components of the SP Technology Platform in this Schedule, to the extent that during the Term the Service Provider must change or replace any such components to continue to provide the technology capabilities set forth herein in order to perform the Services in accordance with **Schedule 9** (*Performance Management Framework*), such changes and replacements will be at no cost or expense to the Province, including without limitation, by way of an increase in Base Fees.

2. Definitions.

Capitalized terms used in this Schedule will have the meanings set forth in this **Schedule 26** (SP *Technology Capabilities*) and capitalized terms not defined herein will have the meanings set forth in **Schedule 1** (*Definitions*) to the Agreement. The list of acronyms used in this document follows:

Acronym	Definition
AAA	Authentication, Authorization and Auditing
BI	Business Intelligence

s.15

CC	Contact Centre
CoC	Channel of Choice
CRM	Citizen Relationship Management

s.15

Acronym	Definition
CVP	Customer Voice Portal
DC	Data Centre
DR	Disaster Recovery
DTMF	Dual Tone Multi-Frequency
EDW	Enterprise Data Warehouse
FCR	First Contact Resolution
IPS	Intrusion Prevention System
IVR	Interactive Voice Response
KB	Knowledge Base
KBM	Knowledge Base Management
s.15	
PSTN	Public Switched Telephone Network
RBAC	Role-Based Access Controls
RTP	Real-time Transport Protocol
SIP	Session Initiation Protocol
SMS	Short Message Service
SRTP	Secure RTP
s.15	
VoIP	Voice Over Internet Protocol
VoIPoMPLS	VOIP over MPLS
WAN	Wide Area Network
WFM	Workforce Management

3. Conceptual Architecture.

The diagram below provides a pictorial and conceptual representation of the SP Technology Platforms that will be enabled during the Initial Transition and utilized to deliver the Base Services over the Term.

4. Systems Enabled to Deliver Base Services.

The functionality and capabilities described in this Section 4 will be included in the Systems that the Service Provider will enable during the Initial Transition and that form the technology components of the SP Technology Platforms that the Service Provider will use to deliver the Base Services during the Term. In regards to these Systems, the following will apply:

a) where indicated by a checkmark under the "Configured and Ready for Use" column within any table of the sub-sections of this Section 4, the capability noted will be implemented, configured and available for use as of the Hand-Over Date in delivering the Base Services as described in **Schedule 5** (*Services*) for the Base Fees set forth in **Schedule 17** (*Fees and Economic Model*);

b) where a function and/or capability listed within any table of the sub-sections of this Section 4 does not have a checkmark under the "Configured and Ready for Use" column, it means the capability noted is included and available within the Systems but will not be configured nor will it be ready for use without additional effort by the Service Provider that is not included within the Base Fees. Should the Province choose to enable any of these available, but not configured and ready for use capabilities, the Service Provider will deliver an estimate of the required incremental effort and cost to configure and make ready for use the desired capabilities. Requests

of this nature shall follow the Change Order Process, and, if the Parties agree that such Services will be performed on a time and materials rates basis, the rates that will apply will not exceed the rates for Professional Services set out **Schedule 17** (*Fees and Economic Model*) unless otherwise mutually agreed; and

c) Service Provider's routine maintenance for the Systems (**"Scheduled Maintenance**") will be scheduled and performed outside of Business Hours in order to reduce any potential impact to the Province. In the event Service Provider must perform maintenance in addition to the Scheduled Maintenance, Service Provider will provide Province with as much advance notice thereof as reasonably possible, and will make every effort to perform such maintenance outside of Business Hours.

4.1 **Contact Centre Capabilities.**

The s.15 contact centre platform leverages VoIP Technology. The s.15 VoIP platform operates in a secure WAN connecting the highly available s.15 and telephony components using VoIPoMPLS in a reliable dual path network configuration.

The following table outlines the capabilities available in the s.15 platform:

Capability	Description	Technologies / Providers	Configured & Ready for Use
Interactive Voice Response	s.15; s.21		
Voice Recognition			
Voice Interaction			
Call Processing			
TTY			
Social Mining			
Courtesy Callback			
Language Services			
Post Call Survey			

s.15; s.21

Campaign Management
Universal Queue
Skill Group Routing
Precision Routing

Unified Agent Desktop

s.15; s.21

Whisper Announcement	s.15; s.21
Supervisory capabilities	
Centralized Administration	
Reporting	

4.2 **Omni-channel Capabilities.**

s.15; s.21

Capability	Description	Technologies / Providers	Configured & Ready for Use
Email Interaction	s.15; s.21		
SMS/Text Interaction			
Reporting			
SMS/Text - Call Deflection			
SMS/Text – Outbound agent messaging			
Voice Interactions			
Web Chat Interaction			
Integration Capabilities			
Interaction History			

4.3 **Workforce Management Capabilities.**

The following workforce management capabilities are delivered through s.15 s.15 system which is fully integrated with the s.15 platform:

Capability	Description	Configured & Ready for Use
Forecasting	s.15; s.21	
Scheduling		
Workforce Adherence		
Agent Self-Service		
Intraday Management		
Reporting		
Time Off Manager		

4.4 Quality Management Capabilities.

Quality assurance and management is delivered by the s.15 software which allows supervisors and quality analysts to perform the following functions:

Capability	Description	Configured & Ready for Use
Screen and voice recording and evaluation services	s.21	
Data Retention		

4.5 Request / Ticket Management Capabilities

The s.15 provides the ability to create tickets to track the activities associated with requests from Citizens:

Capability	Description	Technologies / Providers	Configured & Ready for Use
Comprehensive, integrated service	s.15; s.21		

s.15; s.21

Reporting and dashboards
Workflow
Self Service
Extensive Configuration
Tracking
Powerful search

Web enabled	s.15; s.21
Multi-tenancy	
Email distribution	
Emails and Personal Information	

API Integration	s.15; s.21

4.6 **Knowledge Management Capabilities.**

Service Provider's current s.15 KB functionality will support the following functions:

Capability	Description	Technologies / Providers	Configured & Ready for Use
Search knowledge	s.15; s.21		

s.15; s.21

Create knowledge
Natural language search
Knowledge categories
Knowledge tree designer
HTML editor
Multi-tenancy
Supports URL links
Workflow
Roles-based access control

Reporting	s.15; s.21
Knowledge report card	
Email	
Import and export	
Group announcements and KB user dashboard	
Users based preferences	

4.7 **EDW (Reporting) and BI Services.**

The Enterprise Data Warehouse (EDW) and Business Intelligence (BI) will aggregate multiple-data sources across multiple systems to enable end-to-end performance management reporting and contact

centre metrics to complement the detailed reporting that is inherent in each of the stand-alone components of the Systems. The EDW will include data from the s.15 and s.15 tools to provide an integrated view of the Services being delivered. Authenticated and Authorized end-users will be able to access standard reports identified in **Schedule 15** (*Reporting Requirements*). These reports are generated by and aggregated from the following Systems:

s.15

The reports will be securely stored under version control in a s.15 and a business intelligence layer that includes export capabilities, ingrained in the above Systems, will use them to store the reports in s.15 implements the role of a Province facing enterprise data warehouse (EDW), and it will be accessible at a published URL.

The reports contained in s.15 will be stored in a logical hierarchy structure to meet the Province's reporting requirements. That is, providing secure and easy access to a diverse set of reports that accurately reflect agents' performance, interactions' history, and contact centre metrics, among other Province aspects at particular points in time. Reports stored in s.15 can be securely transferred to a secure server subject to the Province's security controls.

Capability	Description	Technologies / Providers	Configured & Ready for Use
Generate Standard Reports	s.15; s.21		
Create custom reports			
Create custom reports			
Access raw data			
Electronic consumption			

Electronic delivery	s.15; s.21

4.8 Security Assurance Capabilities

The security capabilities in the table that follows protect and secure the Systems and hosted information within those Systems:

Capability	Description	Technologies / Providers	Configured & Available
Intrusion detection and prevention	s.15; s.21		
Firewall services			
Session border controller			
VLAN			
Security zones			
ACL			
QoS			
Antivirus and malware detection			
Server virtualization			
Physical security – data centres			

s.15; s.21

Capability	Description	Technologies / Providers	Configured & Available
Physical security – operating site	s.15; s.21		
Authentication			
Authorization			
Auditing			

4.9 Development/Testing & Production Support, and Prod Environments.

The development/testing, production support and production environments support the life cycle management of the Systems forming part of the SP Technology Platforms:

Capability	Description	Technologies / Providers	Configured & Available
Support and production	s.15; s.21		

5. Technology Services Expansion.

Through the Service Expansion process as outlined in Section 7 of **Schedule 5** (*Scope of Service*), the Province may add additional technology capabilities to the SP Technology Platforms through the Change Order Process. The tables in this Section 5 are intended to list those capabilities that the Service Provider understands as being the most likely to be required during the Term, but should not be considered an exhaustive list. The Province further understands that the capabilities listed in the tables in Section 5 are based on broad assumptions that may or may not be valid. The specific requirements to implement any of

these capabilities will be subject to further detailed exploration by the Parties as part of the Change Order Process.

5.1 Contact Centre & Omni-channel Capabilities.

Capability	Description	Technologies / Providers	Incremental Requirements
s.21			

s.21

5.2 Workforce Management Capabilities.

The following capabilities can be added to extend the capabilities of the s.15 s.15 system:

Services	Description	Incremental Requirements

s.21

s.21

5.3 Ticket and Request Management

The following capabilities can be added to the s.15 ticketing and request management services:

Capability	Description	Technologies / Providers	Incremental Requirements

s.17

5.4 Knowledge Base Capabilities.

The following capabilities can be added to the s.15 knowledge base services:

Capability	Description	Technologies / Providers	Incremental Requirements

s.21

s.21

5.5 Payment Processing Capabilities.

The following outlines the web and IVR based self-serve payment processing capabilities that could be enabled through the s.15 payment processing gateway:

Capability	Description	Technologies / Providers	Incremental Requirements

s.21

CHANGE ORDER FORM

PROGRAM INFORMATION

PROGRAM	AGREEMENT NUMBER	CHANGE ORDER NUMBER
Service BC	C17SBC35815	2019-SBC-CO-41
	PROJECT MANAGERS: Liz Reading	
PROGRAM MANAGER: Russell Bell	PROJECT SPONSOR: Adriana Poveda	

CHANGE ORDER (CO) INFORMATION

CHANGE TITLE	REQUESTOR
Lowering the threshold for meeting the Performance Goal for Performance Measure 9 s.17 ("PM#9") to align with leading industry standards	Adriana Poveda, Service BC
DATE SUBMITTED (MONTH DD, YYYY): November 14, 2019	

CO IMPACTS:	Budget	Schedule	Scope/Quality
	No	Yes	No

CHANGE ORDER (CO) DETAILS

I. DESCRIPTION OF CHANGE(S)

Provide a brief description of the current situation or events that have resulted in this CR and outline the pros and cons of the change. For example, "The business area has requested the addition of new functionality for the application for following reasons....."

This Change Order is made pursuant to the Master Services Agreement between MAXIMUS Canada Services, Inc. ("MAXIMUS") and the Province dated January 1, 2017 (the "Agreement"), under which MAXIMUS provides certain call centre and related services to the Province.

Research recently conducted by the Province indicates that the Performance Goal for PM9 established at the outset of the Agreement was likely not achievable and does not align with leading industry standards. The Province therefore wishes to recognize that MAXIMUS performed to a very high standard in the second and third Contract Quarters of Contract Year 3, and to adjust the Performance Goal going forward accordingly.

Pursuant to Article 8.2(b) of the Agreement, this Change Order documents the following changes:

1. The Province is lowering the threshold for meeting the Performance Goal for PM9 s.17 effective January 1, 2020.
2. The new range for the Performance Goal for PM9 will be between s.17
3. The performance-based Extension in Contract Year 4 will be tied to an average for all measurement periods in Contract Year 4 s.17
4. The Province wishes to recognize MAXIMUS' high level of performance

s.17

the Province wishes to exercise its discretion to extend the Term under section 4.2 of the Agreement. s.17

For clarity, this Change Order does not affect: (a) the Performance Standard for PM9; or (b) the threshold for a Performance Failure in relation to PM9.

II. Reason for and Description of Change(s)

Provide a brief description of the current situation or events that have resulted in this CR and outline the pros and cons of the change. For example, "The business area has requested the addition of new functionality for the application for following reasons....."

This Change Order is required to document changes agreed to between the parties, through the Governance Process, with respect to PM9.

Over the last three years, the Province has worked collaboratively with MAXIMUS to build and sustain a contact centre service delivery solution that consistently meets and often exceeds industry standards. The Province has recently researched and reviewed leading industry standards across various jurisdictions, and this research shows s.17 The Province wishes to recognize the high level of service provided by MAXIMUS s.17 and to align the Performance Goal for PM9 to align with leading industry standards going forward.

This Change Order includes changes to the following Schedules:

- Schedule 9 (*Performance Management Framework*)

III. Impact due to Change

Describe any impacts to related projects that may occur if the proposed change is approved.

Impact / Risk Area	Impact / Risk	Risk #	Mitigation Strategy
Service Provider Impacts (MAXIMUS)	s.17		
Client Business Impacts (Service BC)			
Service Delivery Impacts to Public Facing or Public Safety services (Citizens)	N/A		
Technical Risks (Infrastructure; business solutions; architectural impacts)	N/A		
Security Risk	N/A		

Data sensitivity/Privacy Risks	N/A		
Financial Risks	N/A		
Resource Risks	N/A		

IV. Related Project / Change Orders

List related Project Change Orders and any necessary comments

Change Order 31s.17

V. Economic Model and Implementation Costs

Describe the financial or compensation mode. Itemize the costs and any necessary comments

There are no financial implications to the Economic Model as a result of this change.

VI. Concise Description of Change Order and Supporting Documents

Insert the revised schedules/documents associated with the requested change (insert object/ create from file/display as icon). Use the "Track Changes" feature to include a view of the original text and the revised text. Embed the document (with "Track Changes" enabled) in this sheet.

DOCUMENT

1. This Change Order will be effective as of January 1, 2020.

2. Capitalized terms not defined in this Change Order as used as defined in the Agreement.

3. The Province hereby gives notice, pursuant to Section 4.2 of the Agreement, that the Agreement is extended for a one-year Extension from January 1, 2022 to December 31, 2022. s.17

3. The Parties agree that the Agreement is amended as follows:

*(a) Attachment A of Schedule 9 (Performance Management Framework) is amended by deleting the description of Performance Measure 9*s.17 *in the Performance Measure table in its entirety and replacing it with the following:*

s.17

PM#
9.

(b) The table in Section 16 of Schedule 9 (Performance Management Framework) is deleted in its entirety and replaced with the following table:

Contract Year	Performance-based Term Extensions Available	Criteria
1	N/A	N/A
2	N/A	N/A
3	One year Extension	PM#9 for all measurement periods in Contract Year 3 s.17 AND All Performance Failures and Transition Deficiencies (if any) addressed through Performance Action Plans have been corrected or otherwise remediated (to the extend required under this Agreement) in accordance with such Performance Action Plans, including completion of all remediation activities by their expected respective completion dates specified in such Performance Action Plans
4	One year Extension	Both the following are achieved: Vendor Scorecard for Contract Year 4 s.17 AND PM#9 as an average for all measurement periods in Contract Year 4 s.17
5	N/A	N/A

VII. MAXIMUS Approval Sign-offs

Required?	Signature	Comment	Signature
Yes	Rajeev Purewal Snr Director, Service BC, MAXIMUS Canada Services, Inc.		Signature Rajeev Purewal Date 12/19/2019
Yes	Sarah Custeau A/Vice President, Health, MAXIMUS Canada Services, Inc.		Signature Sarah Custeau Date 12/19/2019
Yes	Paul Simunkovic; Vice President, Human Services MAXIMUS Canada Services, Inc.		Signature Paul Simunkovic Date 12/19/2019
Yes	Daniel Gomberoff Snr Director, Contracts MAXIMUS Canada Services, Inc.		Date 12/19/2019

VIII. Ministry of Citizens' Services Approval Sign-offs

Required?	Signature	Comment	Signature
Yes	Russell Bell A/Director, Contact Centres		Signature Date 12/20/2019
Yes	Adriana Poveda Executive Director, Service BC		Signature Date 12/20/2019
Yes	Beverly Dicks ADM, Service BC		Signature Date 12/20/2019

BRITISH COLUMBIA

June 12, 2020

Deborah Shera,
President
MAXIMUS Canada Services, Inc.
PO BOX 8859, Stn Central
Victoria, BC V8W 3Z1

Dear Deborah:

Re: Extension of the Master Services Agreement dated January 1, 2017 between the Province and MAXIMUS (the "Agreement")

The Province recognises the consistent service excellence that MAXIMUS has achieved during the course of our Agreement to date.

This letter confirms, pursuant to Section 4.2 of the Agreement, the Province's decision to extend the term of the Agreement for one year, from January 1, 2022 to December 31, 2022. For clarity, this extension will be Contract Year 6 and, pursuant to Section 4.2 of the Agreement, constitutes the first of two potential one-year extensions. The extension will be subject to agreement between the Province and MAXIMUS on pricing for the extension, which pursuant to Section 11(e) of Schedule 17 to the Agreement will be consistent with the Economic Model and will be documented through the Change Order Process.

The Province will reach out through the Governance Process in the coming weeks to discuss the details of this extension.

Sincerely,

B Dicks

Beverly Dicks
Assistant Deputy Minister,
Service BC

Ministry of Citizens' Services
Service BC

PO Box 9804 Victoria BC
Victoria BC V8W 9W1

Telephone: 250-818-4674