



TELUS Business Solutions  
826 Yates Street  
Victoria, BC  
Canada V8W 2H9  
telus.com

250 920 9001 Telephone  
250 382 9428 Facsimile  
mike.rostad@telus.com

February 1, 2010

H. Wayne Jensen  
Assistant Deputy Minister  
Strategic Infrastructure  
Ministry of Citizens' Services  
PO BOX 9412, Stn Prov Govt  
Victoria BC V8W 9V1

Dear Mr. Jensen:

**Re: Letter Agreement dated February 1, 2010 For LD and Conferencing Services (the "Letter Agreement")**

Unless the context otherwise requires, all defined terms used in this letter will have the meanings ascribed to them in the Letter Agreement.

Concurrently with the signing of the Letter Agreement, this will confirm that the price book accompanying this letter is the New Long Distances Price Book referenced in section 10 of the Letter Agreement.

Please acknowledge your agreement by signing in the space below and returning a signed copy to my attention.

Yours truly,

Michael Rostad  
Director Sales, BC Public Sector  
TELUS Business Solutions

ACKNOWLEDGED AND AGREED THIS 8 DAY OF FEBRUARY, 2010.

Name: WAYNE JENSEN

Title: ADM STRATEGIC INFRASTRUCTURE & PLANNING

## February 1, 2010 Letter Agreement Rates for New Long Distance Services

Service	Per Minute	Per Call	Monthly
Direct Calling within Canada and the U.S.			
Outbound	\$ 0.012	\$ -	\$ -

### NOTES:

- 1) All per minute rates are subject to 30 second minimum with 6 second increments.
- 2) Calls requiring Operator assistance are subject to a surcharge of \$4.00.
- 3) Other Operator Handled calls are subject to tariffed rates.
- 4) This rate table applies to Province LD volumes as well as PHSA and NHA LD volumes not contracted under the MCSA.
- 5) Terms of this rate table are governed by the Letter Agreement dated February 1, 2010.
- 6) Toll-Free services remain under the terms of the MCSA.
- 7) All prices are exclusive of applicable taxes.

The information contained in this Price Book is Confidential Information for the purposes of Article 18 of the Master Competitive Services Agreement which has been supplied by TELUS to the GPS Group.



TELUS Business Solutions  
826 Yates Street  
Victoria, BC  
Canada V8W 2H9  
telus.com

250 920 9001 Telephone  
250 382 9428 Facsimile  
mike.rostad@telus.com

February 1, 2010

H. Wayne Jensen  
Assistant Deputy Minister  
Strategic Infrastructure  
Ministry of Citizens' Services  
PO BOX 9412, Stn Prov Govt  
Victoria BC V8W 9V1

Dear Mr. Jensen:

**Re: Letter Agreement dated February 1, 2010 For LD and Conferencing Services (the "Letter Agreement")**

Unless the context otherwise requires, all defined terms used in this letter will have the meanings ascribed to them in the Letter Agreement.

Concurrently with the signing of the Letter Agreement, this will confirm that the price book accompanying this letter is the Amended GPS Price Book for Conferencing Services referenced in section 11 of the Letter Agreement.

Please acknowledge your agreement by signing in the space below and returning a signed copy to my attention.

Yours truly,

Michael Rostad  
Director Sales, BC Public Sector  
TELUS Business Solutions

ACKNOWLEDGED AND AGREED THIS 8 DAY OF FEBRUARY, 2010.

Name: Wayne Jensen

Title: ADM STRATEGIC INFRASTRUCTURE & PLANNING

## February 1, 2010 Letter Agreement Rates for Audio Conferencing Services

Service	AKA	Per Minute	Comments
Conference on Demand (COD)	Reservationless Conferencing	\$ 0.029	
Professional Conferencing	Operator Handled Dial Out / Professional Port Charge	\$ 0.120	
Special Event Conferencing	Event Conferencing	\$ 0.120	
Automated Conferencing	Meet Me Port Charge	\$ 0.120	One Time Scheduled Dial In Meeting with Unique PIN codes
North America Toll Free	Toll Free Bridge Access	\$0.00 (Included)	
Operator Dial Out North America	Operator Dialed	\$ 0.029	Operator dials out to participants, rather than participants dialing in.
International - Operator Dial Out	Overseas Dial Out	Rates vary dependent upon Country.	
International & Global Toll-free	Overseas Toll Free Access / International Toll Free Bridge Access	Rates vary dependent upon Country of origin.	

### Optional features

	Per unit	Unit type
CD or Tape	\$ 5.00	Per CD or Tape
Participant or other Reports	\$ 1.00	Per Page
Transcription	\$ 6.75	Per Minute of Conference Duration (24 Hour Turnaround)
Crisis Management Conferencing	\$ 50.00	Monthly recurring charge per Crisis Management Conference, plus usage at the Operator Assisted Rate
Playback on Demand	\$ 0.029	Instant Replay

### Notes

1. TELUS rates are inclusive of Conferencing (port) and North America Audio Conference Toll Free and 24x7x365 bilingual live agent support.
2. Playback on Demand is based on each minute of conference playback.
3. Global & International are incremental to the conferencing charge.
4. Terms of this rate table are governed by the Letter Agreement dated February 1, 2010.
5. All prices are exclusive of applicable taxes

The information contained in this Price Book is Confidential Information for the purposes of Article 18 of the Master Competitive Services Agreement which has been supplied by TELUS to the GPS Group.

February 1, 2010

CONFIDENTIAL

TELUS Communications Company and  
TELUS Services Inc.  
826 Yates Street  
Victoria, BC  
V8W 2H9

Attention: Managing Director, TELUS Business Solutions, British Columbia

Dear Sir:

**Re: Letter Agreement Regarding Repricing of Conferencing Services under the Master Competitive Services Agreement (the "MCSA") and Net New Conferencing and Long Distance Services to be Provided Pending Conclusion of a Master Agreement Pursuant to Negotiated Request for Proposals SATP-261 (the "NRFP")**

This letter sets out the terms of an agreement (this "**Letter Agreement**") between TELUS Communications Company ("**TELUS**") and TELUS Services Inc. ("**TSI**") and Her Majesty the Queen in right of the Province of British Columbia as represented by the Minister of Citizens' Services, which for clarity does not include the other GPS Entities (the "**Province**"), as Administrator for and on behalf of the Province and the other GPS Entities, with respect to: (1) the acceleration of the implementation of NRFP pricing for conferencing services currently provided by TELUS and TSI under the MCSA; and (2) the terms and conditions applicable to net new conferencing and long distance services to be provided by TELUS to the Province, and certain GPS Entities where applicable, pending conclusion of negotiations of a Master Agreement between TELUS, the Province and the other GPS Entities pursuant to the NRFP (the "**Master Agreement**"). Capitalized terms not defined in this Letter Agreement shall be defined as set forth in the MCSA.

#### **General**

1. The Province, TELUS and TSI and the other GPS Entities (collectively, the "**Parties**") entered into the MCSA for the provision of telecommunications services effective as of March 23, 2005, as amended and restated on March 31, 2007 and as further amended and restated on July 9, 2008. The term of the MCSA will end on December 31, 2010.
2. The Province issued the NRFP on December 22, 2008. TELUS submitted a proposal and was subsequently selected as a top-ranked proponent invited to enter negotiations for the conclusion of the Master Agreement to be a primary, but non-exclusive, supplier to the Province and the GPS Entities of certain telecommunications services, the scope of which is more particularly described in the NRFP documentation.

3. The Parties commenced negotiations with respect to a Master Agreement in October, 2009 and anticipate that these negotiations will continue until at least the end of March, 2010.
4. Pending the conclusion of negotiations concerning the Master Agreement, the Parties acknowledge and agree that there is mutual benefit in entering into this Letter Agreement, whereby: (1) TELUS and TSI will accelerate the implementation of NRFP pricing on certain Services under the MCSA as described more fully herein; and (2) TELUS will provide certain net new telecommunications services within the scope of the NRFP, but not currently received by the Province and certain GPS Entities under the MCSA, on the terms and conditions set out herein.

#### **Effective Date**

5. This Letter Agreement will take effect on January 1, 2010 (the “**Effective Date**”).

#### **Term**

6. The term of this Letter Agreement will commence on the Effective Date and will end on December 31, 2010 (the “**Term**”) unless extended or sooner terminated in accordance with the terms of this Letter Agreement.

#### **Parties**

7. The Parties to this Letter Agreement are:
  - (a) TELUS and TSI; and
  - (b) the Province (as Administrator for and on behalf of itself and the other GPS Entities).

#### **Services**

8. Commencing on the Effective Date and, where applicable, upon transition, as contemplated in the Transition Plan, TELUS shall provide the following services to the Province and the GPS Entities (the “**Letter Agreement Services**”) in addition to the services already provided under the MCSA:
  - (a) TELUS shall provide to the Province and to PHSA and NHA (but in the case of PHSA and NHA only with respect to volumes currently not contracted under the MCSA), the new long distance services described in Appendix A (the “**New Long Distance Services**”);
  - (b) TELUS shall provide the Province, BCLC, ICBC, PHSA, VCHA and VIHA with net new audio conferencing services described in Appendix B with respect to volumes currently not contracted under the MCSA (the “**New Conferencing Services**”); and

- (c) TELUS and TSI shall continue to provide to the Province, WCB, BC Hydro, IHA, NHA, FHA, PHSA, VCHA and VIHA the existing MCSA audio conferencing services (the “**Existing Conferencing Services**”) subject to TELUS using all reasonable commercial efforts to complete a timely transition from the Existing Conferencing Services to the New Conferencing Services for these customers after the Effective Date.
9. Subject to any specific terms, conditions and modifications set out in this Letter Agreement and its schedules, the terms and conditions of the MCSA (including without restriction the invoicing and payment provisions of the MCSA) are incorporated by reference into this Letter Agreement and shall apply to the Letter Agreement Services during the Term. Any spend by a GPS Entity in relation to Letter Agreement Services after the Effective Date will be excluded from the calculation of Aggregate Spend under the MCSA.

### **Pricing**

10. Commencing on the Transition for each applicable entity and thereafter during the Term, the New Long Distance Services will be priced by TELUS in accordance with the New Long Distance Services Price Book delivered under cover of a separate letter.
11. On the Effective Date, the GPS Price Book for audio conferencing services under the MCSA shall be amended and replaced with the amended GPS Price Book for audioconferencing services delivered under cover of a separate letter (the “**Amended GPS Price Book for Conferencing Services**”). Thereafter during the Term, the New Conferencing Services and the Existing Conferencing Services will be priced by TELUS in accordance with the Amended GPS Price Book for Conferencing Services. If all of the New Conferencing Services are not transitioned to TELUS by June 1, 2010 as referenced in Section 13 of this Letter Agreement, TELUS may at its option reprice the Existing Conferencing Services back to the pricing for audio conferencing services under the MCSA in effect immediately prior to the Effective Date by providing written notice to the Province. Such reprice will be effective as of June 2, 2010.

### **Transition**

12. The Province commits to:
- (a) Transition the Province’s Navigata long distance and the Province’s Bell audio conferencing volumes to TELUS under this Letter Agreement;
- (b) make reasonable efforts to cause all other GPS Entities to Transition all long distance and audioconferencing volumes currently being provided by third parties as of the Effective Date to TELUS under this Letter Agreement; and
- (c) during the Term and after Transition has been completed, to use the New Long Distance Services to meet all the long distance requirements of the Province that had been met under its agreement with Navigata and to use the New Conferencing Services to meet all the audioconferencing requirements of the Province that had

been met by Bell and make reasonable efforts to cause the other GPS Entities to do the same with respect to net new TELUS services provided hereunder.

13. TELUS and the GPS Entities will conduct a transition to the Letter Agreement Services (the “**Transition**”) in accordance with a transition plan to be agreed by TELUS and the GPS Entities as soon as reasonably possible containing the matters necessary for the Transition including identification of the services that such GPS Entities are being transitioned to (the “**Transition Plan**”). The Parties further agree to include web conferencing transition provisions (other than for ICBC) in the Transition Plan. The Transition Plan will mandate that the New Conferencing Services will be transitioned to TELUS no later than June 1, 2010.
14. TELUS and the GPS Entities shall use all reasonable commercial efforts to perform all required activities in respect of the Transition that are necessary to complete the Transition in accordance with the Transition Plan and this Letter Agreement.

#### **Termination**

15. If a Master Agreement is executed by the Parties prior to the end of the Term, this Letter Agreement shall terminate on the date of execution of the Master Agreement or on such other date as agreed by all the Parties.
16. If a Master Agreement is not executed by the Parties prior to the end of the Term, then the following terms shall apply effective January 1, 2011:
  - (a) this Letter Agreement shall remain in force and continue to apply unless terminated by the Province or TELUS on 60 days’ prior written notice;
  - (b) the pricing for Existing Conferencing Services shall revert back to the pricing for audio conferencing services under the MCSA in effect immediately prior to the Effective Date; and
  - (c) if the Province terminates this Letter Agreement, TELUS will be entitled to recover the sum of \$325,000 (the “**Conferencing Capital Cost Component**”) representing a portion of the capital costs incurred by TELUS for network infrastructure upgrades in connection with the New Conferencing Services. The amount payable by the Province will be the unamortized portion of the Conferencing Capital Cost Component calculated as of the month of termination using a straight line depreciation method based on a 36 month term commencing on June 1, 2010. Such amount to be billed as a one time payment on the next services invoice by TELUS, and subject to TELUS providing the Province with reasonable confirmation that TELUS actually implemented the infrastructure upgrades

#### **Length of NRFP Services Term**



17. The Parties confirm that notwithstanding the January 1, 2010 Effective Date for the New Long Distance Services and the New Conferencing Services under this Letter Agreement, the three year initial term for long distance services and audioconferencing services contemplated in the NRFP will still commence no earlier than the effective date of the Master Agreement.

**Enforceability**

18. This Letter Agreement is intended to create legally binding obligations as between the Parties and each Party acknowledges having receipt good and sufficient consideration for agreeing to its respective commitments and obligations under this Letter Agreement.


**[Intentionally Blank]**

19. This Letter Agreement will be governed by laws of the Province of British Columbia and may not be assigned in whole or in part by either Party without the prior written consent of the other, which consent may be withheld for any reason.


Signed as of this 1st day of February 1, 2010.

**TELUS SIGNATURES:**

**TELUS COMMUNICATIONS  
COMPANY**


By:   
Name: PETER GREEN  
Title: MANAGING DIRECTOR TBS - BC

**TELUS SERVICES INC.**

By:   
Name: PETER GREEN  
Title: MANAGING DIRECTOR TBS - BC

**PROVINCE SIGNATURE:**

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA, as represented by the  
MINISTER OF CITIZENS' SERVICES,  
as Administrator for and on behalf of the  
Province and the other GPS Entities**

By:   
Name: WAYNE JENSEN  
Title: ADM SIP

## Appendix A – New Long Distance Services

The Long Distance (Direct Distance Dialing) Service provides long distance services from PSTN exchange access services.

**Table 1: Requirements for Long Distance Services**

<i>Reference</i>	<i>Requirement</i>	<i>Description</i>
1	Voice Quality	TELUS will use only toll quality 64 kbps PCM coding and will not use any voice compression equipment to provide the Service.
2	Delay	TELUS will use the best available route within their network to provide this Service. Satellite links may be used to Ocean Falls, Tsay keh Dene, Skookumchuk, and Pine Valley.
3	Speech Transmission Loss and Noise Performance	TELUS will use digital circuits and 64 kbps PCM coding on nearly all network cross-sections. On analogue circuits amplifiers will be used as necessary to compensate for transmission loss.
4	Talker and Listener Echo	TELUS will use echo cancellation where required in accordance with ITU-T G.165 industry standard.
5	Distortion	TELUS will ensure transmission of DTMF tones across the Network within industry standards.
6	Call Set-up Times	TELUS will take all appropriate steps to minimize call set-up times throughout the Network.
7	Grade of Service	TELUS will provide a grade of service of at least P.01 (Erlang B) for peak hours and exceed that for off-peak hours.
8	Data and Group 3 Facsimile Transmission	TELUS will support the transmission of facsimile and data traffic (28.8kbps or better) in most Service Locations on the Network. Some exceptions will be Service Locations

		served by analogue or satellite facilities.
9	Where Applicable the following standards should be applied	<ol style="list-style-type: none"> <li>1. IEEE 823-1989: voice grade channel transmission parameters.</li> <li>2. IEEE Std. 167A-1980: group 3 facsimile test chart parameters.</li> <li>3. CSA spec. CAN/CSA-T512-M19: PBX compatibility/functionality.</li> <li>4. ITU G.113: quantizing distortion units.</li> <li>5. CS-03: Standard for Terminal equipment,</li> <li>6. terminal systems network protection devices and connection arrangements</li> </ol>

## Appendix B - New Conferencing Services

### 1. Services Description and Charges

Teleconferencing Services enable three or more participants to connect on a telephone call without special equipment, and the following specific teleconferencing services and features are available for use by the Customer.

- **Conference on Demand:** provides conference calls without having to reserve ports in advance, by providing users with a permanent dial in number, chairperson and participant passcodes. The variable charge specified in the Price Book for Conference on Demand will apply for each minute of use per teleconferencing port.
- **Professional Conferencing:** provides operator assistance with conference calls with an unlimited number of operator dial out lines. The variable charge specified in the Price Book for Professional Conferencing will apply for each minute of use per teleconferencing port.
- **Special Event Conferencing:** provides operator assistance with conference calls designed for large (over 50 connections) presentations and events, facilitated by a TELUS conference coordinator, with a maximum of ten operator dial out lines. The variable charge specified in the Price Book for Special Event Conferencing will apply for each minute of use per teleconferencing port.
- **Teleconference Toll Free Access:** provides toll free access to the conference bridge to all participants of the conference call, via a special toll free number. The Customer is responsible for all long distance charges associated with use of the special toll free number by participants of conference call, at the variable charge for Teleconference Toll Free Access specified in the Price Book for each minute of use per teleconferencing port, in addition to all other applicable charges.
- **Teleconference Recording and Teleconference Playback on Demand:** provides conference recording to cassette or compact disc and digital playback on demand. The one-time charge specified in the Price Book for Teleconference Recording will apply for each recording to cassette or compact disc; the variable charge specified in the Price Book for Teleconference Playback on Demand will apply for each minute in length of the playback.
- **Crisis Management Conferencing:** provides a business continuity and emergency notification tool to gather together critical personnel necessary to respond to a significant event. The Chairperson may dial a phone number and enter a passcode to immediately

dial out to all required personnel, including multiple numbers for each participant.  
Functionality filters voice mail and limits the conference call to required participants.



Ref: 64582

December 22, 2010

CONFIDENTIAL

TELUS Communications Company, TELUS Services Inc. and  
TELUS Communications Inc.  
826 Yates Street  
Victoria BC V8W 2H9

Attention: Managing Director, TELUS Business Solutions, British Columbia

Dear Sirs/Mesdames:

Re: **Extension of Agreements Impacted by Negotiated Request for Proposals SATP 261 for the Strategic Telecommunications Services Procurement (the "NRFP") to April 30, 2011**

This letter sets out the terms of the agreement (this "**Letter Agreement**") between TELUS Communications Company ("**TELUS**"), TELUS Services Inc. ("**TSI**") and TELUS Communications Inc. ("**TCI**") (TELUS, TSI and TCI being called the "**TELUS Group**") and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Citizens' Services (the "**Province**"), with respect to: (1) the extension of the Initial Term of the Master Voice Services Agreement between the Province and TELUS originally dated for reference March 31, 2004, as amended and restated as of July 9, 2008 (the "**MVSA**"); (2) the extension of certain dates contained in the Connecting Communities Agreement between the Province and the TELUS Group, dated as of March 23, 2005, as amended and restated July 9, 2008 (the "**CCA**"); (3) the extension of certain dates contained in the LD and Conferencing LA (as such term is defined below); and (4) incidental amendments to such agreements. Capitalized terms not defined in this Letter Agreement will be defined as set forth in the MVSA, CCA or LD and Conferencing LA, as applicable.

.../2

## **Background**

1. The Province issued the NRFP on December 22, 2008. TELUS submitted a proposal and was subsequently selected as a top-ranked proponent and invited to enter negotiations to settle definitive agreements to be a primary, but non-exclusive, supplier to the Province of certain telecommunications services, the scope of which is more particularly described in the NRFP documentation.
2. TELUS and the Province commenced negotiations with respect to the definitive agreements in October, 2009 and anticipate that the negotiations will continue until April, 2011.
3. TELUS and the Province entered into a Letter Agreement dated February 1, 2010 (the “**LD and Conferencing LA**”) to accelerate the transition and pricing of certain long distance and conferencing services covered by the NRFP.
4. In order to ensure continuity of services during the extended negotiation period, the Province and the TELUS Group have agreed to extend the Initial Term of the Master Competitive Services Agreement effective as of March 23, 2005, as amended and restated on March 31, 2007 and as further amended and restated on July 9, 2008 (the “**MCSA**”) to April 30, 2011. In connection with this extension, the parties also wish to extend the Initial Term of the MVSA and certain dates contained in the CCA and the LD and Conferencing LA.
5. It is the intention of the Province and the TELUS Group that, during the period between January 1, 2011 and April 30, 2011, the parties will retain all rights and obligations they had under the MVSA, the CCA and the LD and Conferencing LA as of December 31, 2010 (i.e. all parties will remain in the same contractual position), except as otherwise set out in this Letter Agreement, and any amendments or changes to the foregoing agreements set out in, or resulting from, this Letter Agreement shall be interpreted accordingly.

## **Effective Date**

6. This Letter Agreement will be effective as of the date first written above.

## **Master Voice Services Agreement**

7. The MVSA is hereby amended as follows:
  - (a) In Section 3.01 (Initial Term), “December 31, 2010” is replaced with “April 30, 2011”;

.../3



- (b) In Section 11.01(a) (Ownership of Contractor Equipment – “Equipment Fees”), “December 31, 2010” is replaced with “April 30, 2011”; and
- (c) In Section 11.08 (Options Upon Expiry or Termination):
  - (i) “December 31, 2010” is replaced with “April 30, 2011”; and
  - (ii) “December, 2010” is replaced with “April, 2011”.

### **Connecting Communities Agreement**

- 8. The CCA is hereby amended as follows:
  - (a) In Section 5.3 (TELUS Non-Compete), “December 31, 2010” is replaced with “April 30, 2011”; and
  - (b) In Schedule A – Definitions, the definition of “Master Competitive Services Agreement” shall be amended by deleting the words “as of the amended and restated date of this Agreement” at the end of the sentence
- 9. For clarity, for the purposes of Section 5.2(a) of the CCA (Charges for Carrier Services), Eligible ISP Rates will continue to apply during the extended term of the MCSA.

### **LD and Conferencing Letter Agreement**

- 10. The LD and Conferencing LA is amended as follows:
  - (a) In Section 1 (General), “December 31, 2010” is replaced with “April 30, 2011”;
  - (b) In Section 3 (General), “March, 2010” is replaced with “March, 2011”;
  - (c) In Section 6 (Term), “December 31, 2010” is replaced with “April 30, 2011”; and
  - (d) In Section 16 (Termination), “January 1, 2011” is replaced with “May 1, 2011”.
- 11. The parties affirm and agree that all the New Conferencing Services have been transitioned to TELUS as required under Sections 11 and 13 of the LD and Conferencing LA, and TELUS accordingly agrees that it shall not reprice the Existing Conferencing Services pursuant to Section 11 of that agreement.

.../4

**General**

12. The parties confirm that the MVSA, the CCA and the LD and Conferencing LA remain in full force and effect and unamended (other than the amendments effected through this Letter Agreement) as of the date of this Letter Agreement.
13. This Letter Agreement is intended to create legally binding obligations between the parties and each party acknowledges having received good and sufficient consideration for agreeing to its respective commitments and obligations under this Letter Agreement.
14. This Letter Agreement will be governed by laws of the Province of British Columbia.
15. This Letter Agreement may be executed in counterpart and by facsimile or electronic signature and when so executed and delivered will be deemed to a single duly executed instrument.

Signed as of the date first written above.

**TELUS COMMUNICATIONS  
COMPANY**

**TELUS SERVICES INC.**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

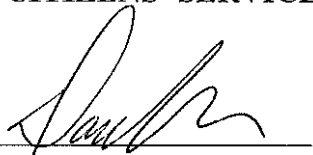
**TELUS COMMUNICATIONS  
INC.**

By: \_\_\_\_\_  
Name:  
Title:

.../5

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA, as represented by the  
MINISTER OF CITIZENS' SERVICES**

By:

  
Name: DAVE NIKWEJIN  
Title: CIO PROV OF BC  
Acting DM CITZ

[PROVINCE LETTERHEAD]

December 22, 2010

CONFIDENTIAL

TELUS Communications Company, TELUS Services Inc. and  
TELUS Communications Inc.  
826 Yates Street  
Victoria, BC  
V8W 2H9  
Attention: Managing Director, TELUS Business Solutions, British Columbia

Dear Sirs/Mesdames:

**Re: Extension of Agreements Impacted by Negotiated Request for Proposals SATP 261 for the Strategic Telecommunications Services Procurement (the "NRFP") to April 30, 2011**

This letter sets out the terms of the agreement (this "**Letter Agreement**") between TELUS Communications Company ("**TELUS**"), TELUS Services Inc. ("**TSI**") and TELUS Communications Inc. ("**TCI**") (TELUS, TSI and TCI being called the "**TELUS Group**") and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Citizens' Services (the "**Province**"), with respect to: (1) the extension of the Initial Term of the Master Voice Services Agreement between the Province and TELUS originally dated for reference March 31, 2004, as amended and restated as of July 9, 2008 (the "**MVSA**"); (2) the extension of certain dates contained in the Connecting Communities Agreement between the Province and the TELUS Group, dated as of March 23, 2005, as amended and restated July 9, 2008 (the "**CCA**"); (3) the extension of certain dates contained in the LD and Conferencing LA (as such term is defined below); and (4) incidental amendments to such agreements. Capitalized terms not defined in this Letter Agreement will be defined as set forth in the MVSA, CCA or LD and Conferencing LA, as applicable.

## **Background**

1. The Province issued the NRFP on December 22, 2008. TELUS submitted a proposal and was subsequently selected as a top-ranked proponent and invited to enter negotiations to settle definitive agreements to be a primary, but non-exclusive, supplier to the Province of certain telecommunications services, the scope of which is more particularly described in the NRFP documentation.
2. TELUS and the Province commenced negotiations with respect to the definitive agreements in October, 2009 and anticipate that the negotiations will continue until April, 2011.

3. TELUS and the Province entered into a Letter Agreement dated February 1, 2010 (the “**LD and Conferencing LA**”) to accelerate the transition and pricing of certain long distance and conferencing services covered by the NRFP.
4. In order to ensure continuity of services during the extended negotiation period, the Province and the TELUS Group have agreed to extend the Initial Term of the Master Competitive Services Agreement effective as of March 23, 2005, as amended and restated on March 31, 2007 and as further amended and restated on July 9, 2008 (the “**MCSA**”) to April 30, 2011. In connection with this extension, the parties also wish to extend the Initial Term of the MVSA and certain dates contained in the CCA and the LD and Conferencing LA.
5. It is the intention of the Province and the TELUS Group that, during the period between January 1, 2011 and April 30, 2011, the parties will retain all rights and obligations they had under the MVSA, the CCA and the LD and Conferencing LA as of December 31, 2010 (i.e. all parties will remain in the same contractual position), except as otherwise set out in this Letter Agreement, and any amendments or changes to the foregoing agreements set out in, or resulting from, this Letter Agreement shall be interpreted accordingly.

#### **Effective Date**

6. This Letter Agreement will be effective as of the date first written above.

#### **Master Voice Services Agreement**

7. The MVSA is hereby amended as follows:
  - (a) In Section 3.01 (Initial Term), “December 31, 2010” is replaced with “April 30, 2011”;
  - (b) In Section 11.01(a) (Ownership of Contractor Equipment – “Equipment Fees”), “December 31, 2010” is replaced with “April 30, 2011”; and
  - (c) In Section 11.08 (Options Upon Expiry or Termination):
    - (i) “December 31, 2010” is replaced with “April 30, 2011”; and
    - (ii) “December, 2010” is replaced with “April, 2011”.

#### **Connecting Communities Agreement**

8. The CCA is hereby amended as follows:
  - (a) In Section 5.3 (TELUS Non-Compete), “December 31, 2010” is replaced with “April 30, 2011”; and

- (b) In Schedule A – Definitions, the definition of “Master Competitive Services Agreement” shall be amended by deleting the words “as of the amended and restated date of this Agreement” at the end of the sentence
9. For clarity, for the purposes of Section 5.2(a) of the CCA (Charges for Carrier Services), Eligible ISP Rates will continue to apply during the extended term of the MCSA.

### **LD and Conferencing Letter Agreement**

10. The LD and Conferencing LA is amended as follows:
- (a) In Section 1 (General), “December 31, 2010” is replaced with “April 30, 2011”;
  - (b) In Section 3 (General), “March, 2010” is replaced with “March, 2011”;
  - (c) In Section 6 (Term), “December 31, 2010” is replaced with “April 30, 2011”; and
  - (d) In Section 16 (Termination), “January 1, 2011” is replaced with “May 1, 2011”.
11. The parties affirm and agree that all the New Conferencing Services have been transitioned to TELUS as required under Sections 11 and 13 of the LD and Conferencing LA, and TELUS accordingly agrees that it shall not reprice the Existing Conferencing Services pursuant to Section 11 of that agreement.

### **General**

12. The parties confirm that the MVSA, the CCA and the LD and Conferencing LA remain in full force and effect and unamended (other than the amendments effected through this Letter Agreement) as of the date of this Letter Agreement.
13. This Letter Agreement is intended to create legally binding obligations between the parties and each party acknowledges having received good and sufficient consideration for agreeing to its respective commitments and obligations under this Letter Agreement.
14. This Letter Agreement will be governed by laws of the Province of British Columbia.
15. This Letter Agreement may be executed in counterpart and by facsimile or electronic signature and when so executed and delivered will be deemed to a single duly executed instrument.

Signed as of the date first written above.

**TELUS COMMUNICATIONS  
COMPANY**



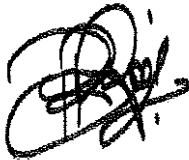
By: \_\_\_\_\_  
Name: Peter Green  
Title: SVP, Small & Medium Business

**TELUS SERVICES INC.**



By: \_\_\_\_\_  
Name: Peter Green  
Title: SVP, Small & Medium Business

**TELUS COMMUNICATIONS  
INC.**



By: \_\_\_\_\_  
Name: Peter Green  
Title: SVP, Small & Medium Business

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA, as represented by the  
MINISTER OF CITIZENS' SERVICES**

By: \_\_\_\_\_  
Name:  
Title:

# Letter of Intent

## STSP Deal Terms and Structure

PRIVATE AND CONFIDENTIAL

December 17, 2010

The following is a letter of intent (“**LOI**”) that sets out the material business terms related to, and the process for finalizing definitive contracts for, the STSP opportunity involving Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Citizens’ Services (the “**Province**”) on behalf of itself and all BC Health Authorities, BC Hydro, ICBC, WSBC and BCLC (the “**Participating GPS Entities**”) and TELUS Communications Company (“**TELUS**”).

With the exception of Section 20 of this LOI which is intended to be legally binding (the “**Binding Terms**”), this LOI does not create or constitute any legally binding or enforceable obligations between the Province and the Participating GPS Entities (the Province and the Participating GPS Entities being collectively called the “**GPS Group**” and each individually being called a “**GPS Entity**”) and TELUS. A party shall not have any liability to another party with respect to the provisions set forth in this LOI, other than the Binding Terms, until definitive agreements (the “**Definitive Agreements**”) are executed and delivered by all parties.

The parties’ mutual expectation is that the negotiation and contracting process to reach Definitive Agreements will be conducted in a compressed timeframe in light of the significant solutioning effort and negotiation which has already occurred between the parties on this opportunity.

This LOI contains references to certain provisions of the draft deal term sheet negotiated by the parties relating to the STSP transaction (the “**Draft Deal Term Sheet**”). The referenced provisions of the Draft Deal Term Sheet are incorporated into, and form part of, this LOI.

The Province has specific business priorities and objectives which are critical to achievement of the Province’s vision for “e-government” in a highly connected environment. These include:

- (a) employee productivity and efficiency
- (b) health
- (c) education (incl. K12, post secondary and continuing education)
- (d) public safety
- (e) citizen self service
- (f) economic development



- (g) improved service to citizens
- (h) optimized services
- (i) enabling infrastructure

(collectively, the “**GPS Objectives**”).

The following are specific principles that the parties intend to govern any deal that is formed by the parties:

- (i) The parties have a shared vision and joint interest in a highly connected British Columbia and will work towards the realization of the vision as strategic partners.
- (ii) The GPS Group is prepared to commit to a long-term deal with TELUS in exchange for service outcomes, with sustained capital investment as required, which will enable the GPS Objectives.
- (iii) TELUS is prepared to commit to a deal structure which provides additional value to the GPS Group over a traditional commodity transaction in consideration of the GPS Group providing a revenue commitment to TELUS and the potential to contract Additional Services.
- (iv) The parties will ensure that the deal provides the GPS Group with demonstrable value for money through the application of the principles of openness, transparency and mutual value achievement where reasonably possible as reflected in this LOI.
- (v) The parties will ensure that the deal contains commercially reasonable terms which allow TELUS to meet its corporate objective of building and sustaining shareholder value.
- (vi) The parties intend to create a deal that will maximize the capacity and opportunity for investment in strategic long-term GPS Group priorities.
- (vii) The deal will include a governance structure which facilitates the active engagement of senior executives on both sides to drive strategic longer term decision making and outcomes.
- (viii) The objective of both parties is to ensure that the chosen pricing model is not an inhibitor to the introduction or optimum utilization of network based services by the GPS Group and the achievement of the parties’ business objectives as reflected in this LOI.
- (ix) At the conclusion of the term, the GPS will have viable options for service continuity.

## **1. Introduction**

- (a) The Province issued an NRFP for the Strategic Telecommunications Services Procurement (“**STSP**”) on December 22, 2008.

- (b) TELUS submitted a proposal and was subsequently selected as a top-ranked proponent invited to enter negotiations for the conclusion of one or more master agreements to be a primary, but non-exclusive, supplier to the GPS Group of certain telecommunications services including long distance, audio conferencing, Internet access, cellular, voice and data services.
- (c) The parties entered into a series of negotiations with the objective of settling the deal structure and material business and legal terms for the transaction.
- (d) This LOI represents the outcome of such negotiations and is intended to provide the basis for the Definitive Agreements.

## 2. Term and Renewal

- (a) *Term:*
  - (i) Initial Term: 10 years for data (including those Internet circuits for which TELUS was selected), voice and cellular; 3 years for LD and audio conferencing.
  - (ii) Renewal Term: data (including Internet circuits), voice and cellular 2 years; LD and audio conferencing 9 x 1 year renewals.

(the Initial Term and the Renewal Term being called the “**Term**”).

- (b) *Commencement of Term:* The Initial Term will run from the date the special assembly filing (the “**SPASSY**”) as contemplated in the Draft Deal Term Sheet is approved or deemed approved by the CRTC (which may be the date of interim approval) (the “**Deal Effective Date**”). Note that the Deal Effective Date is distinct from the pricing effective date.

## 3. Services Scope

- (a) *In Scope and Contracted as of Deal Effective Date:* data (including Internet circuits), voice, cellular (excluding BC Hydro and BCLC which will roll in upon expiry of their separate agreements for cellular), LD and audio conferencing, along with any other services in respect of the nine bundles within the scope of the NRFP, in each case subject to the secondary vendor provisions of the NRFP (collectively, the “**Core Services**”).
- (b) *In Scope and Expected To be Contracted After Deal Effective Date:*
  - (i) network management services for the Province, as more particularly described in Section 10 of this LOI; and

- (ii) voice over internet protocol service (“**VoIP**”) and unified communications services which would include VoIP service (“**UC**”), as more particularly described in Section 11 of this LOI.
- (c) *Other Opportunities*: The following services/initiatives would be included in the deal as potential future opportunities:
  - (i) network management services for the Participating GPS Entities; and
  - (ii) Additional Services, as further described in Section 12 of this LOI.

#### 4. Pricing

(a) *Pricing Structure*:

- (i) As at contract signing, the GPS Group’s data circuits will continue to be provisioned on TELUS’ current legacy network, with the data circuits being transitioned to the new Converged Edge (“**CE**”) network as per the terms of Schedule “F” of this LOI (these legacy circuits being called “**Non-Transitioned Data Circuits**”). Data circuit pricing in TELUS’ NRFP response was for Converged Edge network circuits and did not contemplate pricing for Non-Transitioned Data Circuits. The parties agree that the basis for pricing of the Non-Transitioned Data Circuits would be the MCSA price book, however the price book pricing may need to be adjusted downward to reflect a principle that overall deal spend should be flat as of contract signing. The particulars of the principle are as follows: the GPS Group’s spend for Core Services (which includes all fees contemplated under the Definitive Agreements) as of the time of contracting will be flat as compared to the GPS Group’s spend for such services before contracting, assuming equal volumes and services mix. For clarity, the GPS Group’s spend before contracting would be calculated inclusive of applicable credits under the MCSA and the MVSA. For the purposes of finalizing the pricing the parties would use the MCSA price book with such changes as are necessary to ensure the achievement of the overall spend objective (which could include the issuance of a new credit).

Pricing for the Core Services other than Non-Transitioned Data Circuits would be as per the most recent pricing established by TELUS and the Province as part of the Draft Deal Term Sheet, with the modifications or as otherwise described in Schedule “A” of this LOI.

- (ii) Pricing for network management services and UC/VoIP would be determined after the Deal Effective Date:

- (A) through good faith negotiations on price and service terms, similar to what TELUS and the GPS Entities have done on previous potential opportunities; and
  - (B) where the parties cannot otherwise successfully agree upon pricing through the pricing exercise described above, in accordance with a pre-determined economic model that would determine pricing riverbanks, margin amounts and provide pricing transparency and economic model price verification as per past TELUS/Province practice.
- (iii) Pricing for Additional Services which are direct awarded would be determined by good faith negotiation, leveraging pricing models from other current or past transactions between TELUS and the Province, where applicable. For deals having a total contract value in excess of \$5M, there would be a margin review after the deal is finalized (but prior to contract signing) as per past TELUS/Province practice. Details of this process will be documented in the Definitive Agreements.
  - (iv) Pricing for SIF projects and services will be determined as per the process for Additional Services with the following further clarifications: (A) the margin review threshold would be \$2M instead of \$5M; (B) the pricing methodology for particular solution elements which may form part of a SIF project as follows: (i) professional services offered by TELUS internally: pricing as per agreed professional services rate (+ CPI); (ii) for professional services of third parties offered through TELUS: pricing based on a cost plus agreed mark-up; (iii) for Core Services, pricing per the agreed Core Services pricing in the Definitive Agreements; and (iv) for third party hardware: pricing based on cost + an agreed range of mark-up (different types of hardware may have different mark-ups). In the Definitive Agreements these pricing arrangements would be confirmed as unique to SIF projects in recognition of the intended IT transformative nature of these projects and would not be used as a pricing model for TELUS services within or outside the deal other than SIF services (except as otherwise set out in 4(a)(ii)(B) this LOI).
- (b) *Effective Date of Pricing:*
- (i) LD (Province; new LD business for PHSA and NHA from other carriers) and Audio Conferencing: pricing would be effective January 1, 2010 (as per the current Letter Agreement between TELUS and the Province);
  - (ii) LD (not covered in (i)), Toll Free and Internet: pricing would be effective January 1, 2011;

- (iii) Data: STSP pricing would apply to any data circuit cut-over to the CE network or any net new circuit provisioned on the CE network as and when such circuit is cut-over or provisioned. Prior to transition, data circuits provisioned on existing networks would be priced in the manner described in Section 4(a)(i) of this LOI; and
  - (iv) Cellular and SPASSY voice services: pricing would be effective on the Deal Effective Date.
- (c) *LD and Internet Pricing Condition:* The effective date of the LD, Toll Free and Internet pricing referenced in Section 4(b)(ii) of this LOI would be conditional upon the parties finalizing and signing the Definitive Agreements on or before April 30, 2011. If the Definitive Agreements are not signed within that time, the effective date for pricing for those services would be extended one month for every month after April 30, 2011 that signing is delayed.
- (d) *Cost Transparency:* This LOI contains references to cost transparency for certain services. Except as referenced in this LOI or as mutually agreed by the parties at the time for a particular future service, cost transparency principles (disclosure of cost structure, cost of capital, margin, etc.) would not apply to the pricing of products and services contemplated in the deal. For clarity, the references to cost transparency contained in this Section are not intended to include other non-cost transparency such as transparency related to TELUS pricing offered to other TELUS customers which may be part of a Value for Money verification structure, as referenced in Section 13 of this LOI.

## 5. Revenue Commitment

The GPS Group would commit to spend an agreed amount (the “**Revenue Commitment**” or “**RC**”) with TELUS for each year of the Term subject to the specific language in Schedule “B”. The RC would be an aggregate amount for the entire GPS Group and would not be broken down per GPS Entity. The services revenue comprising the RC would fund certain GPS Group benefits in the deal, in particular the Strategic Investment Fund and the Data Upgrade Fund. The RC would also enable TELUS to provide the GPS Group with added flexibility around the termination of Core Services. Particulars of the RC are set forth in Schedule “B” of this LOI.

## 6. Strategic Investment Fund

TELUS would establish a Strategic Investment Fund (“**SIF**”) in favour of the GPS Group. The SIF would be a single fund available to the entire GPS Group and would not be expressed as a per GPS Entity amount. The SIF would be intended as a funding source for new strategic opportunities identified in accordance with Schedule “C” of this LOI. The particulars of the SIF, including TELUS’ contributions and the draw down process, are set forth in Schedule “C” of this LOI.

## 7. Data Services Support Program

In order to assist the GPS Group in managing costs associated with projected increases in data services consumption during the Term, the deal would include a data services support program comprised of the following elements:

- (a) UDP pricing for CE data services as per TELUS' NRFP response;
- (b) The upgrade of approximately 900 schools in British Columbia from copper based ADSL to fibre based services as per TELUS' NRFP response;
- (c) The Quality of Service (QoS) price enhancements to TELUS' NRFP response described in Schedule "A" of this LOI;
- (d) Periodic data price reviews;
- (e) One or more sub-native speed data service offerings to lessen the cost which would otherwise be associated with a full incremental bandwidth jump for a data circuit upgrade; and
- (f) A fund (the "**Data Upgrade Fund**") to be used as a funding source for upgrades to data services over the Term. The particulars of the Data Upgrade Fund, including TELUS contributions and the draw down process, are set forth in Schedule "D" of this LOI.

## 8. Social Benefits

TELUS would commit to a Social Benefits Program as described in the last draft of the Social Benefits proposal forming part of the Draft Deal Term Sheet, subject to the adjustments described in Schedule "E" of this LOI. These changes would be made in order to enable TELUS to provide the additional value to the GPS Group described in Sections 6 and 7(f) of this LOI.

## 9. Converged Edge Transition

The deal would contemplate the roll-out of a new TELUS CE network. However in order to enable TELUS to be able to provide the additional value described in Sections 6 and 7(f) of this LOI, TELUS' CE infrastructure roll out commitment and the terms around the transitioning of GPS Group circuits to the new CE network, as contemplated in TELUS' NRFP response, would be adjusted. The particulars of the adjusted CE roll-out commitment and transition terms are contained in Schedule "F" of this LOI.

## 10. Network Management Services

The Definitive Agreements would include a framework setting out the proposed scope, assumptions, pricing consistent with Section 4(a)(iii) above, due diligence, contracting process and timeline for network management services to be provided by TELUS for the

Province. In the Definitive Agreements the Province would commit that it would not initiate a public procurement for network management services unless the process per the framework has been completed and the parties are unable to reach agreement.

## 11. VoIP/UC Services

The Definitive Agreements would contain an acknowledgement that the parties are jointly committed to moving the Province and any applicable Participating GPS Entities to TELUS provided VoIP and UC solutions during the Term. The Definitive Agreements would set out a mutually agreed definition of UC. This definition would include an express recognition that e-mail is a core, critical element to any UC solution. The description of the UC/VoIP contracting process contained in the Draft Deal Term Sheet would apply (along with the process set forth above in Section 4(a)(iii) above and in the Definitive Agreements the Province would commit that it would not initiate a public procurement for VoIP/UC services unless the process has been completed and the parties are unable to reach agreement.

## 12. Additional Services

The GPS Group would grant TELUS a right of first offer on mutually identified future opportunities, which would include those opportunities listed in Schedule “G” of this LOI. Where:

- (a) the GPS Entity directly awards the opportunity to TELUS without additional competitive procurement and contracts such opportunity with TELUS; or
- (b) the GPS Entity directs that a prime contractor to the GPS Entity use TELUS as a subcontractor in respect of services covered by the prime contract without additional competitive procurement and the prime contractor contracts such services with TELUS

TELUS would contribute a percentage of the revenue received to the Strategic Investment Fund, as further described in Schedule “C” of this LOI. The parties through the governance structure would annually refresh the list of future opportunities, as agreed by the parties, to ensure it remains relevant and aligned with the GPS Group’s service delivery planning and business priorities over the term (the opportunities identified in Schedule “G” of this LOI together with any new opportunities added to the list during the Term being called the “**Additional Services**”).

The process that is envisioned for Additional Services is intended to be a collaborative process under which the parties would agree on the particulars of the right of first offer for Additional Services as follows: (i) a commitment by the GPS Entity to offer TELUS the opportunity to provide the Additional Service prior to the GPS Entity issuing a public procurement for the service or soliciting offers from a third party provider for the Additional Service; (ii) a requirement for the GPS Entity to provide TELUS with the information reasonably required to solution and price the opportunity (including business and technology requirements) to the extent that the GPS Entity can reasonably provide the same; (iii) a

commitment by TELUS that it will provide a proposal for a market leading solution with pricing consistent with Section 4(a)(iv); and (iv) an agreed upon period of time for discussion between the parties after TELUS delivers its proposal prior to the GPS Entity issuing a public procurement for the Additional Service. If a competitive procurement for the Additional Service was initiated, the GPS Entity would not take steps to disadvantage TELUS as a result of this process. Time periods for the above stages would be finalized as part of the Definitive Agreements. Any pricing or terms provided by TELUS would be confidential and would not be used for purposes of discussions with other parties.

### **13. Value For Money**

- (a) *Price Reviews (Data (including Internet) and Voice):* As part of finalizing the Definitive Agreements the parties would mutually agree on a satisfactory process to ensure the data and voice services continue to remain competitively priced during the Term. This would leverage the principles developed as part of the Draft Deal Term Sheet.
- (b) *Price Reviews (Cellular):* On the third, fifth, seventh and ninth contract anniversary dates, TELUS would, upon request by the GPS Group, undertake a price and service comparison of the then current pricing for cellular services against the best pricing of five of TELUS' cellular contracts with methodology to be agreed. The review and any audit process would need to respect the confidentiality of these other customer arrangements and at the same time provide the GPS Group with confidence that it is obtaining highly competitive pricing and service terms, based on its volumes and service terms.
- (c) *BC Public Sector Pricing Protection:* These terms would apply as described in the Draft Deal Term Sheet.

### **14. Additional Economic Benefits**

TELUS has provided the Province with a letter dated October 20, 2010 which describes certain investments and related economic benefit in the province of BC. A copy of that letter is attached as Schedule I of this LOI, and TELUS anticipates formalizing those potential investments subject to successfully concluding Definitive Agreements reflecting the deal structure and deal scope contemplated in this LOI.

### **15. Termination Services**

The Definitive Agreements would contain termination services language consistent with the current MCSA language (including the provisions related to fees for termination services) subject to the following principles:

- (a) The transition time periods would take into consideration the longer terms contemplated under this LOI;



- (b) The GPS Group would have access to technical information consistent with the current MCSA;
- (c) Key personnel provisions will apply to transition resources;
- (d) The termination service language will help support the GPS Group in meeting its objective of ensuring it has a viable option to move to another vendor at the end of the Term; and
- (e) Such other principles as may be developed by the parties in connection with negotiating the Definitive Agreements.

## 16. External Regulatory and Legal Events

As part of finalizing the Definitive Agreements the parties will address the structure for dealing with external regulatory and legal events which may occur during the Term, including, as appropriate, solutions such as no fault terminations.

## 17. GPS Group Termination Rights and Charges

A GPS Entity would have the right to: (i) terminate an individual service by providing TELUS with 30 days prior written notice; and (ii) terminate all or substantially all of the Core Services or a Core Services bundle by providing TELUS with an agreed period of notice. Where termination charges would otherwise be payable because GPS Group spend is below the RC as described in Schedule “B” of this LOI, termination charges would be calculated as follows:

- (a) *LD and Audio Conferencing*: No termination charges would be payable; as per the Draft Deal Term Sheet; if capital investment for audio conferencing is required at the time of a requested renewal of audio conferencing, the renewal would be subject to mutual agreement;
- (b) *Cellular*: no termination charges; terminations of cellular services below the 70% allocation would attract an ECF as per below;
- (c) *Data (including Internet) and Voice - Service Substitution or Attrition*: Where a GPS Entity terminates a service and does not replace it with a service offered by another service provider, the GPS Entity would pay to TELUS a one time termination charge of 25% of fees outstanding for the service for the remainder of 5 years (rolling) up to end of term. TELUS would contribute 25% of the termination charges paid (i.e., 25% x 25%) to the Data Upgrade Fund or SIF as elected by the GPS Group;
- (d) *Data (including Internet) and Voice- Termination to Move to Non-TELUS Services*: For any termination by a GPS Entity of a service where the GPS Entity is replacing the service with the same or a functionally equivalent non-TELUS service, the GPS Entity would pay to TELUS a one-time termination charge of 50% of fees outstanding for the service for remainder of 5 years (rolling) up to end of term; and

- (e) *Network Manager and Additional Services*: Termination charges to be agreed as and when contracted.

The deal would also provide for the ability by TELUS to recover the following items related to a termination:

- (f) *Circuit Disconnect Fee*: Where the GPS Group terminates a service and no termination charge is payable (i.e., GPS Group is at or above the RC or the RC no longer applies), a termination of a data circuit or a selected voice circuit would be subject to the payment of an agreed disconnect fee (in the manner contemplated in the Draft Deal Term Sheet);
- (g) *Cellular Allocation and ECF*: Whether or not spend is at the RC, where TELUS' allocation of activated devices for the GPS Group falls below 70%, a device termination would attract an early cancellation fee to be agreed; and
- (h) *Capital Reimbursement*: Where the GPS Group terminates a service and no termination charge is payable (i.e., GPS Group is at or above the RC or the RC no longer applies), where applicable TELUS would charge the GPS Entity a fee to be determined as part of the negotiation of the Definitive Agreements to cover TELUS' stranded capital associated with a terminated data circuit.

## **18. Governance**

The Definitive Agreements would contain an agreed upon deep, strategic and effective governance structure, building on current governance structures in the MCSA. Key principles that will guide the development of this governance structure are: (i) a multi-level governance structure by organizational level, including a corporate and strategic level of governance; (ii) governance of the SIF is established at the Deputy Minister level for the Province and at the equivalent level for TELUS; and, (iii) provision be made for specific project governance that will involve the business owners involved. As a point of clarity, the Innovation Hub concept as set out in the Draft Deal Term Sheet will no longer be applicable.

## **19. GPS Non-Participation**

Key deal commitments by TELUS, including pricing, the SIF, the Data Upgrade Program and Social Benefits, are premised on all GPS Entities contracting for Core Services as set in the NRFP for the full length of the Initial Term. Prior to contracting the parties will review the deal as contemplated in this LOI and make any necessary adjustments to pricing and key TELUS deal commitments to reflect any change in scope arising from GPS Group non-participation.

## **20. Confidentiality**

This LOI is confidential information for the purposes of the Confidentiality Agreement between the Province as Administrator, for and on behalf of the Province and the Participating GPS Entities, and TELUS related to the NRFP without prejudice discussions

and may only be used and disclosed in accordance with the terms of the Confidentiality Agreement.

**21. Corporate and Governance Approvals**

Other than the Binding Terms, this LOI is subject to all required corporate, governance and other approvals of each party.

**22. GPS Group Contracting During Interim Period**

TELUS will advise the GPS Group negotiating team of any contracting discussions between TELUS and GPS Group members for material STSP in scope services which occur during the interim period until the Definitive Agreements are signed. TELUS would not approach GPS Group members directly with regard to contract executions for non-essential in scope services, however would be engaging with GPS Group members when approached by a GPS Group member representative. Where contracts (including renewals) are executed for stand alone in-scope services during the interim period (for example the Health Authorities wireless contract), such contracts would be rolled into the Definitive Agreements.

**23. Reorganization**

As part of any reorganization of any crown corporation (including privatization) that entity's right to continue to receive services under the Definitive Agreements would continue.

**24. Governing Law**

This LOI is governed by the laws of the Province of British Columbia.

**25. Regulatory**

- (a) *General:* For clarity, the Province views the following language as being provided solely for the purposes of this LOI and it shall not be construed as being indicative of language for the Definitive Agreements. The Province's position is that any regulatory language in the Definitive Agreements shall be finalized without reference to the language below.
- (b) *TELUS Tariffs:* TELUS' tariffs applicable to any tariffed services comprising Core Services and the General Terms of Service forming part of TELUS' tariffs ("**TELUS' Tariffs**"), as amended from time to time, and as approved by the CRTC, are incorporated by reference and form part of this LOI as it applies to the tariffed services. If there is any conflict between this LOI as it applies to the tariffed services and TELUS' Tariffs, TELUS' Tariffs will take precedence.
- (c) *CRTC Customer Confidentiality Clause:* Without in any way limiting the terms or operation of Section 20 of this Agreement, in relation to all telecommunications services provided by TELUS ("**TCC**") under this Agreement, unless the GPS Group (the "**Customer**") provides express consent or disclosure is pursuant to a legal

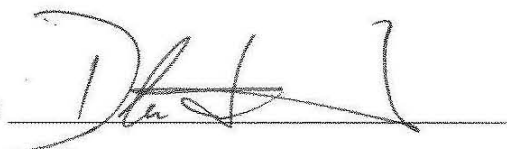
power, all information kept by TCC regarding the Customer, other than the Customer's name, address and listed telephone number, is confidential and may not be disclosed by TCC to anyone other than: the Customer; a person who, in the reasonable judgement of TCC is seeking the information as an agent of the Customer; another telephone company, provided the information is required for the efficient and cost-effective provision of telephone service and disclosure is made on a confidential basis with the information to be used only for that purpose; a company involved in supplying the Customer with telephone or telephone directory related services, provided the information is required for that purpose and disclosure is made on a confidential basis with the information to be used only for that purpose; an agent retained by TCC to evaluate the Customer's creditworthiness or collect the Customer's account, provided the information is required for and is to be used only for that purpose; or to a public authority or agent of a public authority, if in the reasonable judgement of TCC it appears that there is imminent danger to life or property which could be avoided or minimized by disclosure of the information. Express consent may be taken to be given by the Customer where the Customer provides written consent, oral confirmation verified by an independent third party, electronic confirmation through the use of a toll-free number, electronic confirmation via the Internet, oral consent where an audio recording of the consent is retained by TCC, or consent through other methods, as long as an objective documented record of the Customer consent is created by the Customer or by an independent third party.

**26. Execution and Delivery**

This LOI may be executed in counterpart and delivered by facsimile or scanned electronic signature and when so executed and delivered this LOI shall be deemed to a single duly executed and delivered document.

WHEREAS the Parties have executed this LOI as of the date first written above.

**TELUS COMMUNICATIONS COMPANY**

Per: 

Name: DARREN ENTWISTLE

Title: PRESIDENT & CEO

HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH COLUMBIA, as represented  
by the Minister of Citizens' Services

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Schedule "A"**  
**STSP Pricing Adjustments**

**Quality of Service (QoS)**

For data circuits covered by the MCSA Price Book: QoS pricing would be as per the MCSA price book if applicable.

For any WAN circuits transitioned to CE: EF QoS = \$30/Mbps per circuit; AF 2-3 QoS = \$0 per circuit

**Schedule “B”  
Revenue Commitment**

1. *Calculation of Revenue Commitment:* The initial RC would be a fixed number representing the agreed to annual services spend by the GPS Group for the nine STSP service bundles as of a date prior to the signing of the Definitive Agreements calculated using the new pricing for all services under this LOI (which for clarity in the context of data services means current MCSA pricing). In connection with finalizing the Definitive Agreements the parties would discuss an interval/normalizing period for calculating the initial RC baseline.
  
2. *Adjustments to Revenue Commitment:* The following would be the exclusive list of adjustments to the RC during the Term:
  - (a) starting on the second contract anniversary date, the RC would be increased annually by an amount equal to three percent (3%) of the initial RC (non-compounded);
  - (b) the RC would be reduced going forward by the value of any Core Services which are terminated by a GPS Entity for cause (material breach of contract by TELUS, chronic SLA failure or an extended claim of force majeure) or any other reasons which contemplate an RC adjustment;
  - (c) where a GPS Entity has paid TELUS a termination charge pursuant to Section 17 of the LOI, the RC would be reduced going forward by the value of the terminated circuit/service; and
  - (d) where a GPS Entity does not renew any of LD or audio conferencing services in any year after Year 3, the RC going forward would be reduced by the value associated with the non-renewed services.

For clarity and by way of example, the RC would not be adjusted to reflect:

- (e) growth in Core Services consumption by the GPS Group;
- (f) additional spend arising from the on-boarding of BPS Entities or the roll-in of contracts between TELUS and GPS Entities or BPS Entities;
- (g) the contracting of network management services;
- (h) the termination of a Core Service where the GPS Entity has not paid a termination fee to TELUS for such termination;
- (i) any reduction or increase in pricing of a Core Service as a result of a price review or the application of UDP;
- (j) reductions or increases in service volumes arising from service substitution;
- (k) reductions in service volumes as a result of service optimization; and

- (l) reductions or increases in data spend associated with transitioning circuits to the CE network.
3. *Definition of Eligible Spend:* Eligible spend (“**Eligible Spend**”) which would count toward satisfying the RC would be the following spend by the GPS Group with TELUS:
- (a) spend (in any matter) for Core Services, including all increases of Core Services (i.e., increases in volumes/bandwidth of existing core services and net new units/circuits) and any upgrades of Core Services, other than data services upgrades funded by the Data Upgrade Fund;
  - (b) spend associated with substitute or replacement services for Core Services (e.g. SIP trunking; VoIP/UC);
  - (c) SIF dollars used by the GPS Group to fund data services upgrades or Core Services Spend as per the terms of Schedule “C” of this LOI; and
  - (d) fees for network management services for the Province’s data network; and
  - (e) any other spend as agreed by the parties.

For clarity, except as provided in (iii) above, Eligible Spend would be net of any credits or rebates provided by TELUS, including Data Upgrade Fund credits.

As part of the negotiation of the Definitive Agreements the parties would discuss the application of on-boarded entities to Eligible Spend and any implications to the RC.

4. *Tracking of Revenue Commitment:*
- (a) TELUS will calculate and report to the Administrator on the aggregate Eligible Spend of the GPS Group every six months, calculated over the prior twenty-four (24) months and divided by two (2) (the “**Twelve Month Spend**”).
  - (b) Where the Twelve Month Spend has been at or above an amount equal to the then applicable RC, the GPS Entity would be entitled to terminate a service or circuit for any reason (including to go to a TELUS competitor) during the following six month period, and no termination charges would be payable by the GPS Entity in connection with such termination.
  - (c) Where the Twelve Month Spend was less than the then applicable RC (an “**RC Spend Deficiency**”), and a GPS Entity terminates a service or circuit during the following six (6) month period, TELUS would have the right to charge the GPS Entity a termination charge as described in Section 17 of the LOI.
  - (d) There would be a true-up (based upon the same rolling 24 month calculation period) to actual spend at the end of each 12 month period for the purposes of calculating



termination charges, i.e., termination fees may be charged or re-credited at the end of the year based on actual Eligible Spend.

- (e) If at the end of a particular year actual Eligible Spend of the GPS Group for the previous 12 month period is determined to be above the RC, such excess amount would be added to a notional pool (the “**DUF Adjustment Pool**”). If at the end of a particular year actual Eligible Spend of the GPS Group for the previous 12 month period is determined to be below the RC, a draw down from the DUF Adjustment Pool would be made to make up the difference. Where the difference cannot be made up then any remaining difference after depleting the DUF Adjustment Pool would be called a “**DUF Spend Deficiency**”) and the following would apply:
    - (i) The amount of eligible upgrade dollars for the Data Upgrade Fund for the following year (starting in Y2) would be reduced pro rata by the amount of the DUF Spend Deficiency (e.g. if the value of the RC for the year was \$100M, the amount of the annual upgrade dollars available in the contract year was \$10M and the DUF Spend Deficiency for the year was \$5M, the annual upgrade dollars available for the following contract year would be \$9.5M (\$10M – 5% of \$10M)); and
    - (ii) if the DUF Spend Deficiency was more than 20% of the RC in a particular year (starting in Y2), there will be no new Data Upgrade Fund dollars contributed by TELUS for the following year (for clarity, credits against on-going fees from Data Upgrade Fund dollars allocated from previous years would continue to apply);
  - (f) For clarity, there would be no retroactive reversal of a Data Upgrade Fund adjustment pursuant to Section 4(d) of this Schedule “B” where amounts are subsequently added to the DUF Adjustment Pool.
  - (g) There would be no true-up to actual Eligible Spend at the end of the year for the purposes of calculating Data Upgrade Fund dollars available for that year, i.e., TELUS would not take back or issue Data Upgrade Fund dollars based on actual Eligible Spend.
  - (h) For clarity, the RC would not be intended as a ceiling or cap on fees which may be payable by the GPS Group to TELUS for Core Services in a particular year. The fees payable by a GPS Entity in a year would be determined by multiplying the actual service volumes consumed by the GPS Entity during that year by the then current pricing for the services (recognizing that Data Upgrade Program dollars or SIF dollars applied against a GPS Entity’s data spend or Core Services Spend in a year will nonetheless have the effect of reducing the overall spend of the GPS Group in that year).
5. *RC Top-Up*: Where there is a RC Spend Deficiency or an anticipated RC Spend Deficiency, the GPS Group would have the option to make a semi-annual one-time SIF contribution up

to an amount such that the RC Spend Deficiency equals zero (the “**RC Top-Up**”). The RC Top-Up would be in the form of a cash payment to TELUS which TELUS would allocate to the SIF. The second of the semi-annual payments would need to be paid on or before the last day of March following the year in which there was the Spend Deficiency. The amount of the RC Top-Up (up to the maximum amount contemplated above) would be deemed to be Eligible Spend for the purposes of determining whether the GPS Group had an RC Spend Deficiency or a DUF Spend Deficiency for the applicable period. An RC Top-Up would be on a dollar for dollar basis (i.e., one dollar of RC Top-Up would generate one SIF dollar).

6. *Early Satisfaction of Aggregate Contract RC:* Notwithstanding Section 4(d) of this Schedule “B”, any Eligible Spend by the GPS Group in a particular year including that is in excess of the RC for the year will count towards meeting the GPS Group’s aggregate contract revenue commitment. The aggregate commitment would be calculated as the RC established at the time of contracting adjusted by 3% per year (non-compounded starting Year 3) x 10 years (the “**Aggregate Contract RC**”). Upon satisfying the Aggregate Contract RC, the GPS Group would no longer be required to meet the RC for subsequent years and for clarity, the termination fees described in Section 17(c) and (d) of the LOI, the remedies set forth in Section 4 of this Schedule “B” and all other obligations with respect to the RC would not apply. Subject to the foregoing, where the GPS Group has accumulated excess spend from previous years, except as described in Section 4 of this Schedule “B” (including the 24 month averaging, the DUF Adjustment Pool and the RC Top-Up), the GPS Group would not be entitled to apply such excess spend against an RC Deficiency or a DUF Spend Deficiency (i.e., the GPS Group would still have an obligation to meet the RC for each applicable time period even though actual spend had exceeded the RC in previous years, until such time as the Aggregate Contract RC is met).

**Schedule “C”  
Strategic Investment Fund**

**1. General Structure:**

The SIF is a fund which would be available to the GPS Group to launch new strategic initiatives with TELUS. SIF contributions would be derived from the sources described below. TELUS would pay out SIF dollars as credits against invoices for TELUS services. The allocation and draw down of SIF dollars by the GPS Group would be managed by the Administrator on behalf of the GPS Group.

**2. Contributions:**

- (a) *Contributions From Contracting Core Services:* For each contract year, TELUS would contribute an amount to the SIF equal to nine percent (9%) of the value of the revenue received by TELUS from the GPS Group for the Core Services, less applicable sales taxes and net of any credits and rebates (including SLA credits).
- (b) *Contributions From Contracting Additional Services:* TELUS would contribute an amount equal to five percent (5%) of the value of the revenue received from the GPS Group less applicable sales taxes and net of any credits and rebates (including SLA credits) for contracted Additional Services as described in Section 12 of the LOI. Any portion of the fees for an Additional Service associated with hardware or software acquisition or with the acquisition of third party services (such as ASP services, maintenance or support services or consulting services) would not attract SIF contribution. For particular opportunities the parties may determine through joint due diligence and solutioning for the opportunity that adjustments to the percentage of SIF contribution or the general exclusion of third party services is appropriate and if such is the case, the changes will be negotiated as part of the contracting process.
- (c) *Contributions From TELUS External Cost Savings:* Where:
  - (i) actions taken by a GPS Entity result in TELUS realizing operational, administrative or back office cost savings which are external to this deal (i.e., items which reduce TELUS’ cost to deliver services to TELUS customers other than, or in addition to, the GPS Group, such as by way of example, costs related to the operation of TELUS facilities);
  - (ii) the cost savings are capable of being meaningfully calculated or estimated with a reasonable level of effort;
  - (iii) the cost savings result from a specific action taken by the GPS Entity and not merely a favourable outcome to an established assessment, appeal or similar process; and
  - (iv) the cost savings are not associated with legislative or policy changes of general application which affect all employers or businesses in the province

(for example a change in provincial employer remittances or sales tax exemptions); then

TELUS would contribute 50% of the cost savings (“**External Cost Savings**”) to the SIF as and when the savings are actually realized by TELUS during the term.

- (d) *Contributions From TELUS Internal Cost Savings:* Where TELUS has identified a potential internal savings opportunity of mutual benefit (for example the use of an alternate router with reduced functionality/performance but at a lower price point) the opportunity, including the potential for a SIF contribution, would be discussed through the governance structure.
- (e) *Contributions For RC Top-Up:* The GPS Group would be entitled to make a SIF contribution in the form of an RC Top-Up amount, as more particularly described in Section 5 of Schedule “B”. For clarity, although such a payment would be deemed to be Eligible Spend for the purposes of determining whether the RC had been satisfied, it would not attract the 9% SIF contribution applicable to Core Services spend.
- (f) *Contributions From Termination Charges:* A percentage of certain termination charges payable by the GPS Group would be redirected to SIF, as more particularly described in Section 17 of the LOI.

### **3. Use of SIF Funds:**

- (a) The SIF would be aimed at strategic, ambitious IT projects that hold the promise of making significant impacts in the lives of British Columbia citizens and allow the GPS Group to further the GPS Objectives as those are updated by the Province from time to time, recognizing that updated objectives will generally relate to the Province’s e-government strategy.
- (b) Subject to Sections 3(c) and (d) and Sections 4(a), (b) and (h) of this Schedule “C”, the Province would have full discretion to determine how to spend SIF dollars.
- (c) The GPS would be required to spend the SIF dollars with TELUS (which may include TELUS acting as primary contractor on behalf of other vendors and contractors).
- (d) The GPS Group would not be entitled to use SIF dollars to partially or wholly subsidize fees:
  - (i) payable to TELUS by any entity other than a GPS Entity with the ability of the GPS Group to table exceptions which will be discussed at senior governance levels;
  - (ii) for Core Services or Additional Services, subject to the GPS Group being able to allocate SIF funds towards the acquisition of:

- (A) data upgrades and additional Core Services (including reoccurring fees) in accordance with the terms below; and
  - (B) Core Services which are part of an integrated bundled services solution comprising a SIF project, provided that the Core Services represent net new services to TELUS (including reoccurring fees in respect of the same).
- (iii) associated with a renewal or extension of a currently contracted service;
  - (iv) associated with a change order under a then existing contract unless otherwise agreed through governance; and
  - (v) for tariff services;
- (e) SIF funds contributed through the RC Top-Up would not be subject to the 36 month restriction referred to in Section 4(g) of this Schedule “C” and the GPS Group would be entitled to spend such funds on additional Core Services and data upgrades. The mechanics related to utilization would be finalized as part of the negotiations for the Definitive Agreements. The Definitive Agreements would contain an acknowledgement by the GPS Group that it would allocate SIF funds contributed through the RC Top-Up as expeditiously as possible, with the objective of allocating within the 36 month timeline. If the GPS Group will not be able to allocate such funds within the 36 month timeframe, the matter would be discussed at governance, including the development of a mutual plan for expending the funds in a timely manner.

**4. Draw Down of SIF Funds:**

- (a) Prior to contract signing, the parties will mutually agree on an initial short list of potential initiatives for SIF funding together with the proposed priority of the opportunities. The initial list will include the following identified projects for further discussion:
- (i) Home patient monitoring & TELUS health space
  - (ii) Mobile devices for kids and digital repository program
  - (iii) Identity management
  - (iv) Remote workforce program

The initiative identified on the mutual list as having the highest priority would be the first project funded by SIF (the “**SIF Kick-Off Opportunity**”). The parties would commence the due diligence, solutioning and pricing process for the SIF Kick-Off Opportunity upon signing the Definitive Agreements with the objective of contracting the opportunity in 2011. The list will be reviewed, and if requested by

either party refreshed, by the parties during the term through governance (each project on the list being called a “**Designated SIF Project**”).

- (b) In selecting projects, the GPS Group will give due consideration to the Designated SIF Projects and their identified priority. However, other than the SIF Kick-Off Opportunity, the GPS Group would not be bound to follow the list and designated priorities. To this end, the GPS Group may decide to draw down SIF dollars for other services or products from TELUS, provided the proposed drawdown is not otherwise contrary to the terms of this Schedule. Where TELUS disagrees with a proposed SIF drawdown, TELUS may refer the matter to governance and the parties would in good faith discuss the proposed drawdown with the matter being time boxed for resolution. Where the matter is not resolved through governance and the GPS Group still wishes to proceed with the initiative, TELUS would be entitled to a right of veto over the initiative. TELUS would however only be entitled to one veto per year. If TELUS did not exercise its veto within the required time or if TELUS had already exercised its veto that year, the requested drawdown would be deemed to be acceptable.
- (c) Concurrently with issuing a draw down direction to TELUS, the Administrator would also issue TELUS a service request covering the identified opportunity. TELUS would handle the service request in accordance with the service order provisions of the Definitive Agreements, including providing the Administrator with a service description and a quote for one time and on-going fees, consistent with the pricing mechanism set forth in Section 4(a)(iv) of the LOI and in the Definitive Agreements.
- (d) If the GPS Entity wished to proceed with the opportunity after receiving the TELUS quote, then the parties would finalize a service order or if applicable, a standalone contract, and the actual amount to be drawn down based on the agreed pricing.
- (e) A GPS Entity could draw down SIF dollars to cover future recurring fees as well as one time fees. Where the drawdown covers recurring fees, for the purposes of Section 4(g) of this Schedule “C” the aggregate amount of the recurring fees for the term would be deemed to have been drawn down at the time of the allocation, notwithstanding that the actual issuance of the credit to offset the fees would not occur until the invoice is issued. The GPS Group may elect to also partially draw down on the SIF for recurring fees or instead draw down on a recurring basis.
- (f) Where SIF dollars are allocated to future recurring fees and the service order or contract is terminated prior to the expiry of the contracted term, TELUS would recredit the unused SIF dollars to the SIF, less any termination charges which may be payable in connection with the early termination.
- (g) The GPS Group would be entitled to roll over SIF dollars which are unallocated as of the end of a year up to a maximum of 36 months from the date that TELUS first contributed the dollars to the SIF. Draw down of SIF funds would be deemed to be

on a “first in first out” basis, i.e., where TELUS receives a direction for draw down of funds from the Administrator, TELUS would allocate the draw down to the funds which have been in the SIF for the longest time.

- (h) Where unallocated SIF dollars are set to expire, the GPS Group may draw down SIF dollars to fund data upgrades or to subscribe for additional Core Services (other than tariffed services). SIF dollars which the GPS Group draws down to fund data upgrades or additional Core Services would have a value of \$0.50 per SIF dollar drawn down. For clarity, subject to Sections 3(d)(ii)(A) and 3(e) of this Schedule “C”, expiry of funds would be the only circumstances where the GPS Group could use SIF dollars to fund data upgrades or additional Core Services spend. Although use of SIF dollars as described in this Section 4(h) would be deemed to be Eligible Spend for the purposes of determining whether the RC had been satisfied, it would not attract the 9% SIF contribution applicable to Core Services spend.
- (i) Subject to Section 3(e) of this Schedule “C”, SIF dollars which remain unallocated as of the 36 month expiry date or at the contract expiry or termination date would be lost. The Definitive Agreements will contain a practical mechanism to allow the Province to allocate SIF earned near the end of the term. Allocated SIF funds will survive the contract expiry or termination date for a period to be agreed as part of the Definitive Agreements.

**5. Inability of GPS Group To Allocate SIF Funds:**

In the course of negotiating the Definitive Agreements the parties will discuss and agree on language which deals with the consequences of the GPS Group not being able to allocate or use SIF dollars prior to the 36 month expiry date.

**6. Other Items:**

- (a) The SIF contribution from the Core Services would be taken into account for evaluating voice and data pricing for the purposes of a competitive price review based upon a structure and criteria that would be established as part of the Definitive Agreements.
- (b) The Definitive Agreements would contain SIF reporting provisions and a mutual communications protocol for SIF funded opportunities.

**Schedule “D”  
Data Upgrade Fund**

1. The Data Upgrade Fund would be available to the GPS Group to fund upgrades of existing fibre data circuits over the course of the Term. TELUS would credit the fund with a fixed dollar amount annually, starting on the second contract anniversary date and then on each contract anniversary date thereafter.
2. TELUS’ annual contribution to the Data Upgrade Fund would be as follows:

<i>Description</i>	<i>Y1</i>	<i>Y2</i>	<i>Y3</i>	<i>Y4</i>	<i>Y5</i>	<i>Y6</i>	<i>Y7</i>	<i>Y8</i>	<i>Y9</i>	<i>Y10</i>	<i>Total</i>
<i>Incremental (\$M)</i>	\$0.00	\$0.00	\$1.50	\$1.50	\$1.38	\$1.38	\$1.27	\$1.27	\$1.17	\$1.17	
<i>Total (\$M)</i>	\$0.0	\$0.0	\$1.5	\$3.0	\$4.4	\$5.8	\$7.0	\$8.3	\$9.5	\$10.6	\$50.1

As part of the negotiation of the Definitive Agreements, at the request of the GPS Group the parties will discuss options for adjusting the above schedule to accelerate the availability of Data Upgrade Fund dollars. The principle would be that any change will not negatively impact TELUS financials. For a defined term, a portion of the Upgrade Fund could be used by the GPS Entities to fund one time fees (which includes CE transition fees) up to a prescribed percentage of the fund (in the order of 5%).

3. The GPS Group would use Data Upgrade Fund dollars to fund the recurring fees associated with the upgrade of fiber based circuits. All GPS Group fiber based data circuits in the province with the exception of Layer 2 circuits would be eligible to be upgraded using Data Upgrade Funds. Data Upgrade Funds could not be used to upgrade non-GPS Group data circuits.
4. Subject to availability, the bandwidth increment increase for a requested upgrade using Data Upgrade Fund dollars would be as determined by the GPS Entity.
5. Data Upgrade Fund dollars would operate as a credit against the then current pricing for the upgraded data circuit. Where a GPS Entity has drawn down Data Upgrade Fund dollars to fund an upgrade, TELUS would credit the data services invoice of the applicable GPS Entity to cover the difference between the monthly rate for the upgraded circuit and the monthly rate for the existing circuit which was the subject of the upgrade. There would be no reprice of existing or new data circuits as a result of the application of Data Upgrade Fund dollars.
6. The GPS Group would pay the one time fees associated with an upgrade, as set out in TELUS’ NRFP proposal (range: \$1000 - \$3000), and 25% of recurring fees for an upgrade.
7. Concurrently requesting a draw down on the Data Upgrade Fund, the Administrator would also issue TELUS a service request covering the identified upgrade. TELUS would handle the service request in accordance with the service order provisions of the Definitive Agreement, including providing the Administrator with a service description and a quote for one time and on-going fees.



8. If an upgraded data circuit is terminated prior to the expiry of the Term, TELUS would recredit the fund with the amount of unused Data Upgrade Fund dollars associated with the circuit, less any applicable termination charges.
9. Where the Data Upgrade Fund is exhausted in a particular year (i.e., all funds earned up to that date per the table have been allocated to upgrades), a GPS Entity would be able to request additional data upgrades in accordance with the service order process in the agreement. These additional upgrades would be at the then current rates under the agreement.
10. Where the price of data services is adjusted in a year because of a price review or a UDP adjustment, the amount of the Data Fund Upgrade dollars available for that year as per the table would not be adjusted.
11. The GPS Group would be entitled to carry over unallocated Data Upgrade Fund dollars to the following year. The particulars of any deferral of requested upgrades to a subsequent year, including prioritization of upgrade requests, would be reviewed as part of governance.
12. The parties would agree on a maximum carry forward for Data Upgrade Fund dollars. Any funds unallocated as of the maximum carry forward date or unused at contract expiry or termination would be lost. The maximum carry forward would not apply to DUF funds allocated to a circuit upgrade where TELUS is the cause of failing to implement the upgrade prior to the expiry date.
13. The amount of Data Upgrade Fund dollars available in a particular year per the table would be reduced as per Section 4(d) of Schedule "B" of this LOI.
14. Where Data Upgrade Fund dollars have been allocated to cover recurring costs for a circuit and as a result of a price review or application of UDP the monthly Data Fund Upgrade credit for the circuit exceeds the monthly cost of the upgrade (i.e., the difference between the base price of the circuit and price of the upgraded circuit), the balance of the upgrade credit would be applied toward the remaining price of the circuit. Data Upgrade Fund Credits could only be applied against upgraded GPS Group data circuits.
15. The Data Upgrade Fund would be taken into account for evaluating data pricing for the purposes a competitive price review in a manner to be agreed upon as part of the Definitive Agreements.
16. The service catalog for CE services will include WAN services but not Metro or MAN services.

## **Schedule “E” Social Benefits**

The last version of the Social Benefits Term Sheet dated May 3, 2010 attached to the Draft Deal Term Sheet shall be the reference point for any adjustments.

The following items would be the material adjustments and clarifications to the offering from TELUS as set out in Social Benefits Term Sheet:

### **Adjustments/Clarifications to Draft Deal Term Sheet Terms**

- The timeframe for completion of cellular coverage expansion along primary and secondary highway segments would now be five years (as opposed to 3 years). This timeframe provides TELUS with an appropriate amount of flexibility to work with the Province on coordinating the expansion with Province priorities.
- The “cellular expansion commencement date” would be revised.
- There would be no monetary remedies associated with a failure by TELUS to meet an interim or final milestone. However as part of the Definitive Agreements the parties would agree on appropriate non-monetary remedies, such as reduction of RC or contract default.

### **Citizens Connectivity Program**

- TELUS would agree to work with the Province on a target to connect 100%\* of the province within the 10 year term leveraging:
  1. Deferral Fund
  2. First Nations Pathways Project
  3. Cellular Coverage Expansion (primary and secondary highways)
  4. Enhanced GPON expansion
  5. Digital Radio Network Replacement
  6. SMI and Other Network Initiatives
  7. CCA Maintenance and Expansion
  8. Any Related Federally Funded Programs
  - \* every small locale (which may not be an incorporated township or community) with 200 or more residents, estimated that ~97.6% of British Columbians would have access to high speed internet as a result
  - \* this would be an objective not a contractual commitment with associated remedies; however, in the Definitive Agreements TELUS would be making specific commitments related to items 1-8 (recognizing that some of these 8 items, or certain elements thereof, are outside of TELUS’ control ) which support the objective.
- The Province would agree to work in partnership with TELUS to make available to the remaining 2% -3% of the >200 person locales, a Government funded/subsidized data satellite service in order to reach the goal of a 100% connected jurisdiction

**Schedule “F”**  
**Converged Edge Network Transition**

In its NRFP response, TELUS committed to accelerate and expand its anticipated build out of new CE data network infrastructure for the STSP deal to support the transition of the GPS Group data services to a CE network within 18-24 months. As part of the new deal contemplated in this LOI, the timing and scope of this commitment would be modified to align with TELUS’ general roll-out of CE data networking infrastructure in British Columbia, with a commitment to have the roll-out and transition completed for the Province and the participating GPS Group members in applicable communities within 48 months of the Deal Effective Date.

The parties have had extensive discussions regarding the risks associated with this network transition, both financially and operationally. The parties have not been able to complete these discussions, in the context of these LOI discussions, on the principles or specific terms for dealing with these risks. The issues under discussion include, but are not limited to:

1. The early implementation of CE pricing for untransitioned circuits as a remedy if TELUS is unable to complete the network transition as scheduled and, as a result, the anticipated financial benefits are not realized by the GPS Group in the timeframes anticipated; and
2. Sunsetting of services.

In addition, the GPS Group has tabled the following two issues as items which the GPS Group wishes to see addressed as part of the terms around CE transition:

- (a) The role of the GPS Entities in priority setting and the determination of the schedule; and
- (b) The governance associated with changes to the schedule.

With this situation understood, and without prejudice to the position of either party, the parties agree to continue negotiations on these and related issues as part of the negotiation of the Definitive Agreements.

**Schedule “G”  
Initial Candidate List of Additional Services**

Smart Metering Initiative (SMI)

Network Security and IP Based Physical Security Solutions

Payroll and HR Shared Services for GPS and BPS

Digital Radio Network Replacement

**Schedule “H”  
Additional Draft Deal Term Sheet Items**

Post – LOI the parties will use as a starting point the following Draft Term Sheet items, with the parties agreeing upon any open items and in all cases taking into consideration the revised deal structure in this LOI.

Regulatory Term Sheet

Service Optimization

Service Levels

Contracting Structure

Foreign Control

BPS On-Boarding

Change Management

Limitation of Liability and Exclusion of Liability

GPS Non-Payment

SLA At Risk Amount

Risk of Loss

Technology Currency

Continual Process Improvement

Existing Non-MCSA TELUS Agreements

**Schedule "I"**  
**British Columbia Economic Benefits Letter**



TELUS Corporation  
8 - 555 Robson Street  
Vancouver, British Columbia  
Canada V6B 3K9  
www.telus.com

Darren Entwistle  
A Member of the TELUS Team

604 697-8000 Telephone  
604 431-8273 Facsimile  
darren.entwistle@telus.com

October 20, 2010

Allan Seckel  
Deputy Minister to the Premier  
and Cabinet Secretary  
PO Box 9041 STN PROV GOVT  
Victoria, British Columbia  
V8W 9E1

Dear Allan Seckel,

I am writing to provide my perspective on the attached Letter of Intent for STSP NRFP 261 services. On October 4, 2010, TELUS conveyed to government negotiators TELUS' decision to provide a Letter of Intent that we believe serves both parties' interests. TELUS took this initiative because it holds the greatest promise for a mutually beneficial outcome to what has been a lengthy process.

I have been personally involved with the TELUS team throughout the negotiations and in the development of the Letter of Intent and would like to highlight the following elements that, I believe, unequivocally deliver unprecedented value for the government and the citizens you serve:

1. **Accelerating service transformation:** TELUS accepts the Government of British Columbia's request for the establishment of a sizable Strategic Innovation Fund to be managed by government on transformational information, communications and technology projects that advance the Province's agenda. Through our collaborative discussions, our teams identified home health monitoring, identity management, mobile devices for K-12 students and the creation of a digital educational repository as ideal project candidates that could produce profound outcomes in public safety, health and education.
2. **Enabling broadband services:** TELUS will provision significant upgrades to the Greater Public Sector data networks, materially increasing the reliability and capacity of the network within the government's proposed budget framework. This Letter of Intent ensures for the Greater Public Sector entities that the increasing cost of data bandwidth over time is not a constraint to offering new services in health and education, which are crucial to creating healthier communities in our province. This offer is unprecedented in the history of TELUS.

TELUS will commit to building its new world-class green, data centre within British Columbia, facilitated by an incremental investment in the province of up to \$300 million. This data centre, anticipated to be completed by 2013, will provide up to 80,000 sq ft of space, create incremental jobs during both the construction and ongoing maintenance phases, and deliver managed hosting services and applications to small businesses across the entire province.

3. Bridging the Digital Divide: The TELUS team is continuing its longstanding commitment to providing British Columbians with access to the world's best telecommunications technology, including Canada's fastest coast to coast mobile network. British Columbia is a focal point for many of our customer-focused initiatives and since 2000. TELUS has invested more than \$22 billion in technology and operations in this province.

This Letter of Intent demonstrates our continued support for rural and remote data network connectivity:

- Investing in additional cellular expansion covering more than 1,700 kilometres of British Columbia's primary and secondary highways. Our company recognises the critical importance of ensuring public safety for citizens travelling on our province's roads. Importantly, we have proposed a governance model to ensure close collaboration and coordination between the government's priorities and TELUS' decisions on future infrastructure investments in British Columbia.
  - Committing \$650 million in 2010 to expand advanced broadband services in British Columbia, TELUS has launched an ambitious programme to deploy world-leading Fibre to The Home technologies to several regional centres. This will enable exceptionally fast, high speed data connectivity, the delivery of industry leading entertainment services to consumers and enterprise-level data connectivity for Small Office/ Home Office-based businesses in these centres. TELUS is forecasting to commit an additional \$2.0 billion to further expand our infrastructure over the next decade, including our Fibre to the Home investments; we believe this fully aligns with strategic projects the Province is undertaking such as BC Hydro's Smart Metering Initiative.
4. Stimulating economic development: British Columbia is our home and foundational to our success as a leader in the global telecommunications industry. We have 7,900 team members located across 300 communities with plans to create 400 positions in the next 5 years and the potential to add an additional 1,600 over the term of this contract in customer service, sales and engineering. TELUS Ventures is also prepared to drive investment in British Columbia based companies focused on next generation technologies. I believe this further strengthens your vision of British Columbia as a North American leader that can attract innovation and highly skilled positions in the technology sector.
  5. Building capacity through shared services and joint best practices: TELUS is proposing joint operations network management, initially focusing on core government with a vision that scales to include all Broader Public Sector entities that will accomplish seamless, pan-provincial network management services.

The terms presented within this Letter of Intent are mutually beneficial and commercially sustainable. The TELUS team has worked extensively and exhaustively for two years with the Province of British Columbia on this project to create a proposal that delivers unprecedented value for the government and the citizens you serve. This Letter of Intent represents our last offer.

Premier Campbell has suggested that I should present these Letter of Intent highlights in further detail to the Cabinet Sub-Committee to engage in a conversation on how we can collectively enable many positive social and economic outcomes for the citizens of British Columbia over the next decade. I have asked the TELUS negotiating team to schedule this session.

2



I am encouraged by the tremendous effort and collaboration that has been evident between TELUS and the Government of British Columbia over the last two years. Our teams have worked diligently in an attempt to achieve a positive outcome that builds a better and more prosperous province for our citizens.

We look forward to the Province's acceptance of this Letter of Intent and our work together to build on our long-standing relationship.

Yours truly,



Darren Entwistle  
President and CEO  
A Member of the TELUS team

Cc: Kim Henderson  
Gord Macatee  
Dave Nikolejsin  
Joe Natale  
Peter Green  
Monty Carter  
Tim Draper  
Michael Rostad

**Schedule “J”**  
**Joint Management of Technology Change**

The parties have had extensive discussions regarding the risks associated with technology change over time, and in particular, the anticipated introduction of VOIP services by TELUS to replace the existing voice services. The parties have not been able complete these discussions, in the context of these LOI discussions, on the principles or specific terms for dealing with these risks. The issues under discussion include, but are not limited to:

1. What happens if TELUS is unable to provide an acceptable VOIP solution;
2. What happens if TELUS elects not to provide a new technology service that is generally available; and,
3. The specific mechanisms for technology planning and capital investment coordination.

With this situation understood, and without prejudice to the position of either party, the parties agree to continue negotiations on these and related issues as part of the Definitive Agreement negotiations.

**AMENDING AGREEMENT NO. 1**

THIS AMENDING AGREEMENT NO. 1 is made effective this 22nd day of December 2010.

**BETWEEN:**

TELUS SERVICES INC. and TELUS COMMUNICATIONS COMPANY, companies  
both organized under the laws of Canada

("TELUS")

**OF THE FIRST PART**

**AND:**

Severally but not jointly, those parties defined herein as the GPS ENTITIES that have each  
executed this Agreement

(the "GPS Entities")

**OF THE SECOND PART**

(TELUS and the GPS Entities being collectively hereafter the "Parties")

**RECITALS:**

- A. The Parties entered into an agreement entitled "Master Competitive Services Agreement" effective as of March 23, 2005, as amended and restated on March 31, 2007, and as further amended and restated July 9, 2008 (the "Agreement");
- B. The term "GPS Entity" has the same meaning under this Amending Agreement No. 1 as defined in Schedule A of the Agreement;
- C. The Term of the Agreement ends on December 31, 2010;
- D. Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Citizens' Services (the "Province") issued NRFP – SATP 261 for the Strategic Telecommunications Services Procurement (the "NRFP"), on its own behalf and on behalf of the GPS Entities, on December 22, 2008;

- E. TELUS submitted a proposal and was subsequently selected as a top-ranked proponent invited to enter negotiations for the conclusion of a Master Agreement to be a primary, but non-exclusive, supplier to the GPS Entities of certain telecommunications services, the scope of which is more particularly described in the NRFP documentation;
- F. The parties commenced negotiations with respect to a Master Agreement in October, 2009 and anticipate that these negotiations will continue until at least the end of March, 2011; and
- G. Pending the conclusion of negotiations concerning the Master Agreement, the Parties now wish to amend the Agreement to extend the Term to April 30, 2011 on the terms and conditions contained in this Amending Agreement No. 1.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein, the Parties agree as follows:

- 1. Paragraph 2.2(a) of the Agreement is deleted in its entirety and replaced with the following paragraph:

**Extension Term**

- (a) The Initial Term has been extended by the Parties as follows:
  - (i) in 2008, the GPS Group extended the Initial Term for two (2) years beyond the Initial Term to December 31, 2010 (the "First Extension");
  - (ii) under Amending Agreement No. 1, the parties agree that the Initial Term shall be further extended to April 30, 2011 (the "Second Extension") (the First Extension and the Second Extension are collectively referred to as the "Extension"); and
  - (iii) the terms and conditions of the Agreement, as amended by this Amending Agreement No. 1, shall apply during the Extension.

- 2. The Agreement is amended by adding, after Paragraph 2.2, the following additional paragraph:

**2.3 Contract Year during the Second Extension**

It is the mutual intention of the Parties that all mutual obligations under the Agreement shall continue during the Second Extension without material alteration or undue acceleration as a result of the term of the Second Extension. For greater certainty, and except where otherwise stated:

- (a) the period commencing March 23, 2011 and ending on April 30, 2011 shall be considered part of the 2010/2011 Contract Year ; and

- (b) any reference in the Agreement to a "quarter" during the Extension Period shall be deemed to be a reference to the whole period between January 1, 2011 and April 30, 2011.
3. The Agreement is amended by adding, after the first sentence in Paragraph 15.5, the following additional sentence:
- "During the Second Extension period, TELUS shall continue to provide the GPS Group with the full Facilitation Credit provided to the GPS Group during the month immediately prior to the end of the First Extension period, in the amount and manner set forth in Schedule D."
4. The Agreement is amended by adding, after the first sentence in Paragraph 15.14, the following additional sentence:
- "During the Second Extension period, TELUS shall continue to provide funding from the Upgrade Fund to the GPS Group in the amount and manner set forth in Schedule D. For greater certainty, TELUS shall only be required to provide funding from the Upgrade Fund during the Second Extension in respect of existing circuits to which the Upgrade Fund applied prior to the end of the First Extension, and not in respect of new or other circuits which respect to which services are implemented after December 31, 2010."
5. For clarity, the Annual Rebate payable by TELUS under the Agreement, if any, will apply to Aggregate Spend in the 2010 calendar year and there will be no Annual Rebate payable for Aggregate Spend after December 31, 2010.
6. It is the intention of the GPS Entities and TELUS that, during the period between January 1, 2011 and April 30, 2011, except as otherwise set out in this Amending Agreement No. 1, the parties will retain all rights and obligations they had under the MCSA (i.e. all parties will remain in the same contractual position), and any amendments or changes to the MCSA set out in, or resulting from, this Amending Agreement No. 1 shall be interpreted accordingly.

IN WITNESS WHEREOF, this Amending Agreement No. 1 has been duly executed by and on behalf of the Parties hereto as of the date hereof.

**TELUS SIGNATURES:**

**TELUS COMMUNICATIONS  
COMPANY**

By: \_\_\_\_\_  
Name:  
Title:

**TELUS SERVICES INC.**

By: \_\_\_\_\_  
Name:  
Title:

**GPS ENTITY SIGNATURES:**

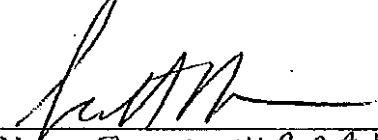
**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA, as represented by the  
MINISTER OF CITIZENS' SERVICES, in  
its capacity as a GPS Entity**

By: \_\_\_\_\_  
Name:  
Title:

**BRITISH COLUMBIA HYDRO AND  
POWER AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**BRITISH COLUMBIA LOTTERY  
CORPORATION**

By:   
Name: SCOTT NORMAN  
Title: VP IT / CTO

**WORKERS COMPENSATION BOARD  
OF BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:

**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:

**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**INTERIOR HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**FRASER HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies listed in  
Appendix 11 hereto**

By: \_\_\_\_\_  
Name:  
Title:

**AMENDING AGREEMENT NO. 1**

THIS AMENDING AGREEMENT NO. 1 is made effective this 22nd day of December 2010.

**BETWEEN:**

TELUS SERVICES INC. and TELUS COMMUNICATIONS COMPANY, companies,  
both organized under the laws of Canada

(“TELUS”)

OF THE FIRST PART

**AND:**

Severally but not jointly, those parties defined herein as the GPS ENTITIES that have each executed this Agreement

(the “GPS Entities”)

OF THE SECOND PART

(TELUS and the GPS Entities being collectively hereafter the “Parties”)

**RECITALS:**

- A. The Parties entered into an agreement entitled “Master Competitive Services Agreement” effective as of March 23, 2005, as amended and restated on March 31, 2007, and as further amended and restated July 9, 2008 (the “Agreement”);
- B. The term “GPS Entity” has the same meaning under this Amending Agreement No. 1 as defined in Schedule A of the Agreement;
- C. The Term of the Agreement ends on December 31, 2010;
- D. Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Citizens’ Services (the “Province”) issued NRFP – SATP 261 for the Strategic Telecommunications Services Procurement (the “NRFP”), on its own behalf and on behalf of the GPS Entities, on December 22, 2008;



- E. TELUS submitted a proposal and was subsequently selected as a top-ranked proponent invited to enter negotiations for the conclusion of a Master Agreement to be a primary, but non-exclusive, supplier to the GPS Entities of certain telecommunications services, the scope of which is more particularly described in the NRFP documentation;
- F. The parties commenced negotiations with respect to a Master Agreement in October, 2009 and anticipate that these negotiations will continue until at least the end of March, 2011; and
- G. Pending the conclusion of negotiations concerning the Master Agreement, the Parties now wish to amend the Agreement to extend the Term to April 30, 2011 on the terms and conditions contained in this Amending Agreement No. 1.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein, the Parties agree as follows:

1. Paragraph 2.2(a) of the Agreement is deleted in its entirety and replaced with the following paragraph:

**Extension Term**

- (a) The Initial Term has been extended by the Parties as follows:
  - (i) in 2008, the GPS Group extended the Initial Term for two (2) years beyond the Initial Term to December 31, 2010 (the "First Extension");
  - (ii) under Amending Agreement No. 1, the parties agree that the Initial Term shall be further extended to April 30, 2011 (the "Second Extension") (the First Extension and the Second Extension are collectively referred to as the "Extension"); and
  - (iii) the terms and conditions of the Agreement, as amended by this Amending Agreement No. 1, shall apply during the Extension.
- 2. The Agreement is amended by adding, after Paragraph 2.2, the following additional paragraph:

**2.3 Contract Year during the Second Extension**

It is the mutual intention of the Parties that all mutual obligations under the Agreement shall continue during the Second Extension without material alteration or undue acceleration as a result of the term of the Second Extension. For greater certainty, and except where otherwise stated:

- (a) the period commencing March 23, 2011 and ending on April 30, 2011 shall be considered part of the 2010/2011 Contract Year; and

- (b) any reference in the Agreement to a "quarter" during the Extension Period shall be deemed to be a reference to the whole period between January 1, 2011 and April 30, 2011.
3. The Agreement is amended by adding, after the first sentence in Paragraph 15.5, the following additional sentence:
- "During the Second Extension period, TELUS shall continue to provide the GPS Group with the full Facilitation Credit provided to the GPS Group during the month immediately prior to the end of the First Extension period, in the amount and manner set forth in Schedule D."
4. The Agreement is amended by adding, after the first sentence in Paragraph 15.14, the following additional sentence:
- "During the Second Extension period, TELUS shall continue to provide funding from the Upgrade Fund to the GPS Group in the amount and manner set forth in Schedule D. For greater certainty, TELUS shall only be required to provide funding from the Upgrade Fund during the Second Extension in respect of existing circuits to which the Upgrade Fund applied prior to the end of the First Extension, and not in respect of new or other circuits which respect to which services are implemented after December 31, 2010."
5. For clarity, the Annual Rebate payable by TELUS under the Agreement, if any, will apply to Aggregate Spend in the 2010 calendar year and there will be no Annual Rebate payable for Aggregate Spend after December 31, 2010.
6. It is the intention of the GPS Entities and TELUS that, during the period between January 1, 2011 and April 30, 2011, except as otherwise set out in this Amending Agreement No. 1, the parties will retain all rights and obligations they had under the MCSA (i.e. all parties will remain in the same contractual position), and any amendments or changes to the MCSA set out in, or resulting from, this Amending Agreement No. 1 shall be interpreted accordingly.

IN WITNESS WHEREOF, this Amending Agreement No. 1 has been duly executed by and on behalf of the Parties hereto as of the date hereof.

**TELUS SIGNATURES:**

**TELUS COMMUNICATIONS  
COMPANY**

By: \_\_\_\_\_  
Name:  
Title:

**TELUS SERVICES INC.**

By: \_\_\_\_\_  
Name:  
Title:

**GPS ENTITY SIGNATURES:**

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA, as represented by the  
MINISTER OF CITIZENS' SERVICES, in  
its capacity as a GPS Entity**

By: \_\_\_\_\_  
Name:  
Title:

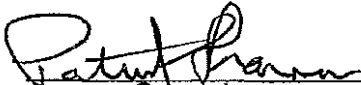
**BRITISH COLUMBIA HYDRO AND  
POWER AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**BRITISH COLUMBIA LOTTERY  
CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

**WORKERS COMPENSATION BOARD  
OF BRITISH COLUMBIA**

By:   
Name: Patrick Shannan  
Title: Acting Corporate Health  
Care - Senior Manager  
(Sheila Garner)

**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:


**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**INTERIOR HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**FRASER HEALTH AUTHORITY**

By:   
Name: PHILIP BARKER, VP  
Title: INFORMATION MANAGEMENT

**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies listed in  
Appendix 11 hereto**

By: \_\_\_\_\_  
Name:  
Title:

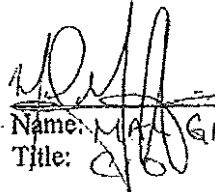
**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:

**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**INTERIOR HEALTH AUTHORITY**

By:  \_\_\_\_\_  
Name: M. A. GRIFFIN  
Title:

**FRASER HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies listed in  
Appendix 11 hereto**

By: \_\_\_\_\_  
Name:  
Title:

**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:

**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**INTERIOR HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

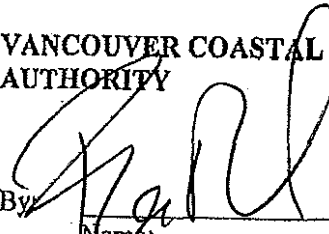
**FRASER HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

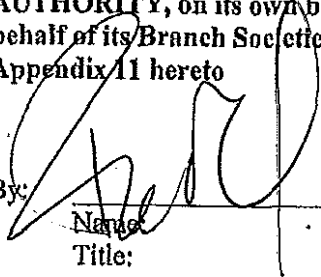
**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By:  \_\_\_\_\_  
Name:  
Title:

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies listed in  
Appendix 11 hereto**

By:  \_\_\_\_\_  
Name:  
Title:

**AMENDING AGREEMENT NO. 1**

THIS AMENDING AGREEMENT NO. 1 is made effective this 22nd day of December 2010.

**BETWEEN:**

TELUS SERVICES INC, and TELUS COMMUNICATIONS COMPANY, companies  
both organized under the laws of Canada

("TELUS")

OF THE FIRST PART

**AND:**

Severally but not jointly, those parties defined herein as the GPS ENTITIES that have each  
executed this Agreement

(the "GPS Entities")

OF THE SECOND PART

(TELUS and the GPS Entities being collectively hereafter the "Parties")

**RECITALS:**

- A. The Parties entered into an agreement entitled "Master Competitive Services Agreement" effective as of March 23, 2005, as amended and restated on March 31, 2007, and as further amended and restated July 9, 2008 (the "Agreement");
- B. The term "GPS Entity" has the same meaning under this Amending Agreement No. 1 as defined in Schedule A of the Agreement;
- C. The Term of the Agreement ends on December 31, 2010;
- D. Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Citizens' Services (the "Province") issued NRFP – SATP 261 for the Strategic Telecommunications Services Procurement (the "NRFP"), on its own behalf and on behalf of the GPS Entities, on December 22, 2008;

- E. TELUS submitted a proposal and was subsequently selected as a top-ranked proponent invited to enter negotiations for the conclusion of a Master Agreement to be a primary, but non-exclusive, supplier to the GPS Entities of certain telecommunications services, the scope of which is more particularly described in the NRFP documentation;
- F. The parties commenced negotiations with respect to a Master Agreement in October, 2009 and anticipate that these negotiations will continue until at least the end of March, 2011; and
- G. Pending the conclusion of negotiations concerning the Master Agreement, the Parties now wish to amend the Agreement to extend the Term to April 30, 2011 on the terms and conditions contained in this Amending Agreement No. 1.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein, the Parties agree as follows:

1. Paragraph 2.2(a) of the Agreement is deleted in its entirety and replaced with the following paragraph:

**Extension Term**

- (a) The Initial Term has been extended by the Parties as follows:

- (i) in 2008, the GPS Group extended the Initial Term for two (2) years beyond the Initial Term to December 31, 2010 (the "First Extension");
- (ii) under Amending Agreement No. 1, the parties agree that the Initial Term shall be further extended to April 30, 2011 (the "Second Extension") (the First Extension and the Second Extension are collectively referred to as the "Extension"); and
- (iii) the terms and conditions of the Agreement, as amended by this Amending Agreement No. 1, shall apply during the Extension.

2. The Agreement is amended by adding, after Paragraph 2.2, the following additional paragraph:

**2.3 Contract Year during the Second Extension**

It is the mutual intention of the Parties that all mutual obligations under the Agreement shall continue during the Second Extension without material alteration or undue acceleration as a result of the term of the Second Extension. For greater certainty, and except where otherwise stated:

- (a) the period commencing March 23, 2011 and ending on April 30, 2011 shall be considered part of the 2010/2011 Contract Year; and



- (b) any reference in the Agreement to a "quarter" during the Extension Period shall be deemed to be a reference to the whole period between January 1, 2011 and April 30, 2011.
3. The Agreement is amended by adding, after the first sentence in Paragraph 15.5, the following additional sentence:
- "During the Second Extension period, TELUS shall continue to provide the GPS Group with the full Facilitation Credit provided to the GPS Group during the month immediately prior to the end of the First Extension period, in the amount and manner set forth in Schedule D."
4. The Agreement is amended by adding, after the first sentence in Paragraph 15.14, the following additional sentence:
- "During the Second Extension period, TELUS shall continue to provide funding from the Upgrade Fund to the GPS Group in the amount and manner set forth in Schedule D. For greater certainty, TELUS shall only be required to provide funding from the Upgrade Fund during the Second Extension in respect of existing circuits to which the Upgrade Fund applied prior to the end of the First Extension, and not in respect of new or other circuits which respect to which services are implemented after December 31, 2010."
5. For clarity, the Annual Rebate payable by TELUS under the Agreement, if any, will apply to Aggregate Spend in the 2010 calendar year and there will be no Annual Rebate payable for Aggregate Spend after December 31, 2010.
6. It is the intention of the GPS Entities and TELUS that, during the period between January 1, 2011 and April 30, 2011, except as otherwise set out in this Amending Agreement No. 1, the parties will retain all rights and obligations they had under the MCSA (i.e. all parties will remain in the same contractual position), and any amendments or changes to the MCSA set out in, or resulting from, this Amending Agreement No. 1 shall be interpreted accordingly.

IN WITNESS WHEREOF, this Amending Agreement No. 1 has been duly executed by and on behalf of the Parties hereto as of the date hereof.

**TELUS SIGNATURES:**

**TELUS COMMUNICATIONS  
COMPANY**

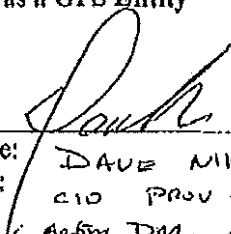
By: \_\_\_\_\_  
Name:  
Title:

**TELUS SERVICES INC.**

By: \_\_\_\_\_  
Name:  
Title:

**GPS ENTITY SIGNATURES:**

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA, as represented by the  
MINISTER OF CITIZENS' SERVICES, in  
its capacity as a GPS Entity**

By:   
Name: DAVE MIKULSON  
Title: CIO PROV OF BC  
Acting DM CITE

**BRITISH COLUMBIA HYDRO AND  
POWER AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**BRITISH COLUMBIA LOTTERY  
CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

**WORKERS COMPENSATION BOARD  
OF BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:

**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:

**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:


**INTERIOR HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**FRASER HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By:   
Name: Catherine Claitor-Lassen  
Title: VP/CEO

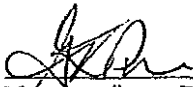
**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies listed in  
Appendix 11 hereto**

By: \_\_\_\_\_  
Name:  
Title:

**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By:   
Name: Gen. Prior  
Title: CFO

**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**INTERIOR HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRASER HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies listed in  
Appendix 11 hereto**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**AMENDING AGREEMENT NO. 1**

THIS AMENDING AGREEMENT NO. 1 is made effective this 22nd day of December 2010.

**BETWEEN:**

TELUS SERVICES INC., and TELUS COMMUNICATIONS COMPANY, companies  
both organized under the laws of Canada

("TELUS")

OF THE FIRST PART

**AND:**

Severally but not jointly, those parties defined herein as the GPS ENTITIES that have each  
executed this Agreement

(the "GPS Entities")

OF THE SECOND PART

(TELUS and the GPS Entities being collectively hereafter the "Parties")

**RECITALS:**

- A. The Parties entered into an agreement entitled "Master Competitive Services Agreement" effective as of March 23, 2005, as amended and restated on March 31, 2007, and as further amended and restated July 9, 2008 (the "Agreement");
- B. The term "GPS Entity" has the same meaning under this Amending Agreement No. 1 as defined in Schedule A of the Agreement;
- C. The Term of the Agreement ends on December 31, 2010;
- D. Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Citizens' Services (the "Province") issued NRFP – SATP 261 for the Strategic Telecommunications Services Procurement (the "NRFP"), on its own behalf and on behalf of the GPS Entities, on December 22, 2008;

- E. TELUS submitted a proposal and was subsequently selected as a top-ranked proponent invited to enter negotiations for the conclusion of a Master Agreement to be a primary, but non-exclusive, supplier to the GPS Entities of certain telecommunications services, the scope of which is more particularly described in the NRFP documentation;
- F. The parties commenced negotiations with respect to a Master Agreement in October, 2009 and anticipate that these negotiations will continue until at least the end of March, 2011; and
- G. Pending the conclusion of negotiations concerning the Master Agreement, the Parties now wish to amend the Agreement to extend the Term to April 30, 2011 on the terms and conditions contained in this Amending Agreement No. 1.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein, the Parties agree as follows:

1. Paragraph 2.2(a) of the Agreement is deleted in its entirety and replaced with the following paragraph:

**Extension Term**

- (a) The Initial Term has been extended by the Parties as follows:

- (i) in 2008, the GPS Group extended the Initial Term for two (2) years beyond the Initial Term to December 31, 2010 (the "First Extension");
- (ii) under Amending Agreement No. 1, the parties agree that the Initial Term shall be further extended to April 30, 2011 (the "Second Extension") (the First Extension and the Second Extension are collectively referred to as the "Extension"); and
- (iii) the terms and conditions of the Agreement, as amended by this Amending Agreement No. 1, shall apply during the Extension.

2. The Agreement is amended by adding, after Paragraph 2.2, the following additional paragraph:

**2.3 Contract Year during the Second Extension**

It is the mutual intention of the Parties that all mutual obligations under the Agreement shall continue during the Second Extension without material alteration or undue acceleration as a result of the term of the Second Extension. For greater certainty, and except where otherwise stated:

- (a) the period commencing March 23, 2011 and ending on April 30, 2011 shall be considered part of the 2010/2011 Contract Year; and

- (b) any reference in the Agreement to a "quarter" during the Extension Period shall be deemed to be a reference to the whole period between January 1, 2011 and April 30, 2011.
3. The Agreement is amended by adding, after the first sentence in Paragraph 15.5, the following additional sentence:
- "During the Second Extension period, TELUS shall continue to provide the GPS Group with the full Facilitation Credit provided to the GPS Group during the month immediately prior to the end of the First Extension period, in the amount and manner set forth in Schedule D."
4. The Agreement is amended by adding, after the first sentence in Paragraph 15.14, the following additional sentence:
- "During the Second Extension period, TELUS shall continue to provide funding from the Upgrade Fund to the GPS Group in the amount and manner set forth in Schedule D. For greater certainty, TELUS shall only be required to provide funding from the Upgrade Fund during the Second Extension in respect of existing circuits to which the Upgrade Fund applied prior to the end of the First Extension, and not in respect of new or other circuits which respect to which services are implemented after December 31, 2010."
5. For clarity, the Annual Rebate payable by TELUS under the Agreement, if any, will apply to Aggregate Spend in the 2010 calendar year and there will be no Annual Rebate payable for Aggregate Spend after December 31, 2010.
6. It is the intention of the GPS Entities and TELUS that, during the period between January 1, 2011 and April 30, 2011, except as otherwise set out in this Amending Agreement No. 1, the parties will retain all rights and obligations they had under the MCSA (i.e. all parties will remain in the same contractual position), and any amendments or changes to the MCSA set out in, or resulting from, this Amending Agreement No. 1 shall be interpreted accordingly.

IN WITNESS WHEREOF, this Amending Agreement No. 1 has been duly executed by and on behalf of the Parties hereto as of the date hereof.

**TELUS SIGNATURES:**

**TELUS COMMUNICATIONS  
COMPANY**

By: \_\_\_\_\_  
Name:  
Title:

**TELUS SERVICES INC.**

By: \_\_\_\_\_  
Name:  
Title:

**GPS ENTITY SIGNATURES:**

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA, as represented by the  
MINISTER OF CITIZENS' SERVICES, in  
its capacity as a GPS Entity**

By: \_\_\_\_\_  
Name:  
Title:

**BRITISH COLUMBIA HYDRO AND  
POWER AUTHORITY**

By: \_\_\_\_\_  
Name: *D. Stukert*  
Title: *VP & CEO*



*Dec. 23/10*

**BRITISH COLUMBIA LOTTERY  
CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

**WORKERS COMPENSATION BOARD  
OF BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:



**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:

**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**INTERIOR HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**FRASER HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies listed in  
Appendix 11 hereto**

By: \_\_\_\_\_  
Name:  
Title:

## AMENDING AGREEMENT NO. 1

THIS AMENDING AGREEMENT NO. 1 is made effective this 22nd day of December 2010.

BETWEEN:

TELUS SERVICES INC., and TELUS COMMUNICATIONS COMPANY, companies  
both organized under the laws of Canada

("TELUS")

OF THE FIRST PART

AND:

Severally but not jointly, those parties defined herein as the GPS ENTITIES that have each  
executed this Agreement

(the "GPS Entities")

OF THE SECOND PART

(TELUS and the GPS Entities being collectively hereafter the "Parties")

### RECITALS:

- A. The Parties entered into an agreement entitled "Master Competitive Services Agreement" effective as of March 23, 2005, as amended and restated on March 31, 2007, and as further amended and restated July 9, 2008 (the "Agreement");
- B. The term "GPS Entity" has the same meaning under this Amending Agreement No. 1 as defined in Schedule A of the Agreement;
- C. The Term of the Agreement ends on December 31, 2010;
- D. Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Citizens' Services (the "Province") issued NRFP – SATP 261 for the Strategic Telecommunications Services Procurement (the "NRFP"), on its own behalf and on behalf of the GPS Entities, on December 22, 2008;

- E. TELUS submitted a proposal and was subsequently selected as a top-ranked proponent invited to enter negotiations for the conclusion of a Master Agreement to be a primary, but non-exclusive, supplier to the GPS Entities of certain telecommunications services, the scope of which is more particularly described in the NRFP documentation;
- F. The parties commenced negotiations with respect to a Master Agreement in October, 2009 and anticipate that these negotiations will continue until at least the end of March, 2011; and
- G. Pending the conclusion of negotiations concerning the Master Agreement, the Parties now wish to amend the Agreement to extend the Term to April 30, 2011 on the terms and conditions contained in this Amending Agreement No. 1.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein, the Parties agree as follows:

1. Paragraph 2.2(a) of the Agreement is deleted in its entirety and replaced with the following paragraph:

**Extension Term**

- (a) The Initial Term has been extended by the Parties as follows:
  - (i) in 2008, the GPS Group extended the Initial Term for two (2) years beyond the Initial Term to December 31, 2010 (the "First Extension");
  - (ii) under Amending Agreement No. 1, the parties agree that the Initial Term shall be further extended to April 30, 2011 (the "Second Extension") (the First Extension and the Second Extension are collectively referred to as the "Extension"); and
  - (iii) the terms and conditions of the Agreement, as amended by this Amending Agreement No. 1, shall apply during the Extension.

2. The Agreement is amended by adding, after Paragraph 2.2, the following additional paragraph:

**2.3 Contract Year during the Second Extension**

It is the mutual intention of the Parties that all mutual obligations under the Agreement shall continue during the Second Extension without material alteration or undue acceleration as a result of the term of the Second Extension. For greater certainty, and except where otherwise stated:

- (a) the period commencing March 23, 2011 and ending on April 30, 2011 shall be considered part of the 2010/2011 Contract Year ; and

- (b) any reference in the Agreement to a "quarter" during the Extension Period shall be deemed to be a reference to the whole period between January 1, 2011 and April 30, 2011.
3. The Agreement is amended by adding, after the first sentence in Paragraph 15.5, the following additional sentence:
- "During the Second Extension period, TELUS shall continue to provide the GPS Group with the full Facilitation Credit provided to the GPS Group during the month immediately prior to the end of the First Extension period, in the amount and manner set forth in Schedule D."
4. The Agreement is amended by adding, after the first sentence in Paragraph 15.14, the following additional sentence:
- "During the Second Extension period, TELUS shall continue to provide funding from the Upgrade Fund to the GPS Group in the amount and manner set forth in Schedule D. For greater certainty, TELUS shall only be required to provide funding from the Upgrade Fund during the Second Extension in respect of existing circuits to which the Upgrade Fund applied prior to the end of the First Extension, and not in respect of new or other circuits which respect to which services are implemented after December 31, 2010."
5. For clarity, the Annual Rebate payable by TELUS under the Agreement, if any, will apply to Aggregate Spend in the 2010 calendar year and there will be no Annual Rebate payable for Aggregate Spend after December 31, 2010.
6. It is the intention of the GPS Entities and TELUS that, during the period between January 1, 2011 and April 30, 2011, except as otherwise set out in this Amending Agreement No. 1, the parties will retain all rights and obligations they had under the MCSA (i.e. all parties will remain in the same contractual position), and any amendments or changes to the MCSA set out in, or resulting from, this Amending Agreement No. 1 shall be interpreted accordingly.

IN WITNESS WHEREOF, this Amending Agreement No. 1 has been duly executed by and on behalf of the Parties hereto as of the date hereof.

**TELUS SIGNATURES:**

**TELUS COMMUNICATIONS  
COMPANY**



By: \_\_\_\_\_  
Name: Peter Green  
Title: SVP, Small & Medium Business

**TELUS SERVICES INC.**



By: \_\_\_\_\_  
Name: Peter Green  
Title: SVP, Small & Medium Business

**GPS ENTITY SIGNATURES:**

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA, as represented by the  
MINISTER OF CITIZENS' SERVICES, in  
its capacity as a GPS Entity**

By: \_\_\_\_\_  
Name:  
Title:

**BRITISH COLUMBIA HYDRO AND  
POWER AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**BRITISH COLUMBIA LOTTERY  
CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

**WORKERS COMPENSATION BOARD  
OF BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:

**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:

**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**INTERIOR HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**FRASER HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies listed in  
Appendix 11 hereto**

By: \_\_\_\_\_  
Name:  
Title:

**TELUS COMMUNICATIONS  
COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Monty Carter  
President,  
Enterprise Solutions

**TELUS SERVICES INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**GPS ENTITY SIGNATURES:**

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA, as represented by the  
MINISTER OF LABOUR, CITIZENS'  
SERVICES AND OPEN GOVERNMENT,  
in its capacity as a GPS Entity**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Kim Henderson  
Deputy Minister

**BRITISH COLUMBIA HYDRO AND  
POWER AUTHORITY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BRITISH COLUMBIA LOTTERY  
CORPORATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**WORKERS COMPENSATION BOARD  
OF BRITISH COLUMBIA**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## AMENDING AGREEMENT NO. 2

THIS AMENDING AGREEMENT NO. 2 is made effective this 30th day of April 2011.

BETWEEN:

TELUS SERVICES INC., and TELUS COMMUNICATIONS COMPANY, companies  
both organized under the laws of Canada

(“TELUS”)

OF THE FIRST PART

AND:

Severally but not jointly, those parties defined herein as the GPS ENTITIES that have each  
executed this Agreement

(the “GPS Entities”)

OF THE SECOND PART

(TELUS and the GPS Entities being collectively hereafter the “Parties”)

### RECITALS:

- A. The Parties entered into an agreement entitled “Master Competitive Services Agreement” effective as of March 23, 2005, as amended and restated on March 31, 2007, as further amended and restated July 9, 2008, and as further amended by Amending Agreement No. 1 effective December 22, 2010 (the “Agreement”);
- B. The term “GPS Entity” has the same meaning under this Amending Agreement No. 2 as defined in Schedule A of the Agreement;
- C. The Initial Term of the Agreement was extended to April 30, 2011;
- D. Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Labour, Citizens’ Services and Open Government (the “Province”) issued



NRFP – SATP 261 for the Strategic Telecommunications Services Procurement (the “NRFP”), on its own behalf and on behalf of the GPS Entities, on December 22, 2008;

- E. TELUS submitted a proposal and was subsequently selected as a top-ranked proponent invited to enter negotiations to be a primary, but non-exclusive, supplier to the GPS Entities of certain telecommunications services, the scope of which is more particularly described in the NRFP documentation;
- F. The Parties commenced negotiations in October, 2009 and anticipate that the negotiation of definitive agreements, which the Parties acknowledge consist primarily of three agreements, the Telecommunications Services Master Agreement, the Connecting BC Agreement, and the Strategic Relationship Agreement (the “Definitive Agreements”) will continue until the end of June, 2011; and
- G. Pending the conclusion of negotiations concerning the Definitive Agreements, the Parties now wish to amend the Agreement to extend the Initial Term to June 30, 2011 on the terms and conditions contained in this Amending Agreement No. 2.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein, the Parties agree as follows:

1. Paragraph 2.2(a) of the Agreement is deleted in its entirety and replaced with the following paragraph:

**Extension Term**

- (a) The Initial Term has been extended by the Parties as follows:
  - (i) in 2008, the GPS Group extended the Initial Term for two (2) years beyond the Initial Term to December 31, 2010 (the “First Extension”);
  - (ii) under Amending Agreement No. 1, the Parties agreed to further extend the Initial Term to April 30, 2011 (the “Second Extension”);
  - (iii) under Amending Agreement No. 2, the Parties agree that the Initial Term shall be further extended to June 30, 2011 (the “Third Extension”) (the First Extension, the Second Extension, and the Third Extension are collectively referred to as the “Extension”); and
  - (iv) the terms and conditions of the Agreement, as amended by this Amending Agreement No. 2, shall apply during the Extension.

2. The Agreement is amended by adding, after Paragraph 2.3, the following additional paragraph:

**2.4 Contract Year during the Third Extension**

It is the mutual intention of the Parties that all mutual obligations under the Agreement shall continue during the Third Extension without material alteration or undue acceleration as a result of the term of the Third Extension. For greater certainty, and except where otherwise stated:

the period commencing March 23, 2011 and ending on June 30, 2011 shall be considered part of the 2010/2011 Contract Year.

3. The Agreement is amended by adding, after the second sentence in Paragraph 15.5, the following additional sentence:

“During the months of May and June 2011, TELUS shall continue to provide the GPS Group with the full Facilitation Credit provided to the GPS Group during the month immediately prior to the end of the First Extension period, in the amount and manner set forth in Schedule D.”

4. The Agreement is amended by adding, after the second sentence in Paragraph 15.14, the following additional sentence:

“Effective May 1, 2011, funding from the Upgrade Fund to the GPS Group will be suspended, and during May and June, 2011, no credits will be issued on invoices by TELUS with respect to the Upgrade Fund. If negotiations concerning the Definitive Agreements (as defined in Amending Agreement No. 2, effective April 30, 2011) are successfully concluded, and if all Parties to those agreements execute them effective on or before June 30, 2011, TELUS will provide funding from the Upgrade Fund to the GPS Group for the period from May 1, 2011 to June 30, 2011 in the amount and manner set forth in Schedule D of the Agreement (for clarity, the GPS Entities will receive up to 2 months Upgrade Fund credit, prorated and retroactive to May 1, 2011). For greater certainty, TELUS shall only be required to provide funding from the Upgrade Fund during this period in respect of existing circuits to which the Upgrade Fund applied prior to the end of the First Extension, and not in respect of new or other circuits which respect to which services are implemented after December 31, 2010. If negotiations concerning the Definitive Agreements are not successfully concluded, and if all Parties to those agreements do not execute them effective on or before June 30, 2011, TELUS will not provide funding and no credits will be payable from the Upgrade Fund to the GPS Group after April 30, 2011.”

5. For clarity, there will be no further Annual Rebate payable.
6. It is the intention of the GPS Entities and TELUS that, during the period between January 1, 2011 and June 30, 2011, except as otherwise set out in this Amending Agreement No. 2, the Parties will retain all rights and obligations they had under the MCSA (i.e. all Parties will remain in the same contractual position), and any amendments or changes to the MCSA set out in, or resulting from, this Amending Agreement No. 2 shall be interpreted accordingly.

7. If negotiations concerning the Definitive Agreements are not successfully concluded and if all Parties to those agreements do not execute them effective on or before June 30, 2011 no further extensions of the Initial Term nor of any type will be granted or entered into by TELUS. For clarity, and without limitation, the GPS Entities shall thereafter be entitled to all their rights under the Agreement available upon the end of the Initial Term, including the full right to Extended Services and Termination Services under Section 25 of the Agreement, and similarly and without limitation TELUS shall thereafter be entitled to all of its rights under the Agreement available upon the end of the Initial Term.
8. This Amending Agreement No. 2 may be executed in counterpart and by facsimile or electronic signature and when so executed and delivered will be deemed to be a single executed instrument.
9. This Amending Agreement No. 2 shall supersede and replace any prior Service Extension Notice provided by the GPS Entities to TELUS under Section 25 of the Agreement, which shall be of no further force and effect.

IN WITNESS WHEREOF, this Amending Agreement No. 2 has been duly executed by and on behalf of the Parties hereto as of the date hereof.

**TELUS SIGNATURES:**

**TELUS COMMUNICATIONS  
COMPANY**

**TELUS SERVICES INC.**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

**GPS ENTITY SIGNATURES:**

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the MINISTER OF LABOUR, CITIZENS' SERVICES AND OPEN GOVERNMENT, in its capacity as a GPS Entity**

By: \_\_\_\_\_  
Name:  
Title:

**BRITISH COLUMBIA HYDRO AND POWER AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**BRITISH COLUMBIA LOTTERY CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

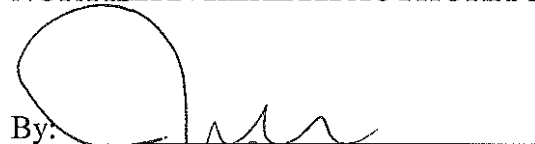
**WORKERS COMPENSATION BOARD OF BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:


**INSURANCE CORPORATION OF BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:


**NORTHERN HEALTH AUTHORITY**

By:   
Name: Jack Huxton  
Title: CIO, Northern Health


**INTERIOR HEALTH AUTHORITY**

By:   
Name: MAL GRIFFIN  
Title: CIO

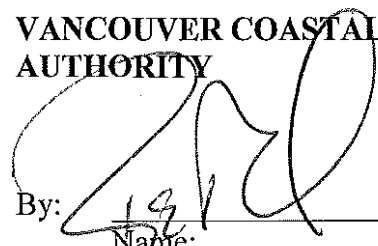
**FRASER HEALTH AUTHORITY**

By:   
Name: Paul Brauer  
Title: CIO

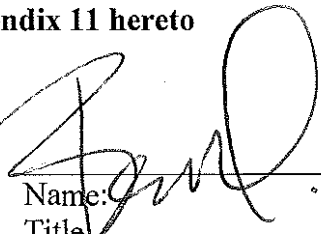
**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By:   
Name: C. Claiter-Larsen  
Title: VP, CIO

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By:   
Name: Barry Rivell  
Title: Barry Rivell  
CIO

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies listed in  
Appendix 11 hereto**

By:   
Name: Barry Rivell  
Title: Barry Rivell  
CIO

### AMENDING AGREEMENT NO. 3

THIS AMENDING AGREEMENT NO. 3 is made effective this 30th day of June 2011.

BETWEEN:

TELUS SERVICES INC. and TELUS COMMUNICATIONS COMPANY, companies  
both organized under the laws of Canada

("TELUS")

OF THE FIRST PART

AND:

Severally but not jointly, those parties defined herein as the GPS ENTITIES that have each  
executed this Agreement

(the "GPS Entities")

OF THE SECOND PART

(TELUS and the GPS Entities being collectively hereafter the "Parties")

#### RECITALS:

- A. The Parties entered into an agreement entitled "Master Competitive Services Agreement" effective as of March 23, 2005, as amended and restated on March 31, 2007, as further amended and restated July 9, 2008, as further amended by Amending Agreement No. 1 effective December 22, 2010, and as further amended by Amending Agreement No. 2 effective April 30, 2011 (the "Agreement");
- B. The term "GPS Entity" has the same meaning under this Amending Agreement No. 3 as defined in Schedule A of the Agreement;
- C. The Initial Term of the Agreement was extended to June 30, 2011;
- D. Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Labour, Citizens' Services and Open Government (the "Province") issued

NRFP – SATP 261 for the Strategic Telecommunications Services Procurement (the “NRFP”), on its own behalf and on behalf of the GPS Entities, on December 22, 2008;

- E. TELUS submitted a proposal and was subsequently selected as a top-ranked proponent invited to enter negotiations to be a primary, but non-exclusive, supplier to the GPS Entities of certain telecommunications services, the scope of which is more particularly described in the NRFP documentation;
- F. The Parties commenced negotiations in October, 2009 and anticipate that the negotiation of definitive agreements, which the Parties acknowledge consist primarily of three agreements, the Telecommunications Services Master Agreement, the Connecting BC Agreement, and the Strategic Relationship Agreement (the “Definitive Agreements”) will continue until the end of July, 2011; and
- G. Pending the conclusion of negotiations concerning the Definitive Agreements, the Parties now wish to amend the Agreement to extend the Initial Term to July 31, 2011 on the terms and conditions contained in this Amending Agreement No. 3.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements contained herein, the Parties agree as follows:

1. Paragraph 2.2(a) of the Agreement is deleted in its entirety and replaced with the following paragraph:

**Extension Term**

- (a) The Initial Term has been extended by the Parties as follows:
  - (i) in 2008, the GPS Group extended the Initial Term for two (2) years beyond the Initial Term to December 31, 2010 (the “First Extension”);
  - (ii) under Amending Agreement No. 1, the Parties agreed to further extend the Initial Term to April 30, 2011 (the “Second Extension”);
  - (iii) under Amending Agreement No. 2, the Parties agreed to further extend the Initial Term to June 30, 2011 (the “Third Extension”);
  - (iv) under Amending Agreement No. 3, the Parties agree that the Initial Term shall be further extended to July 31, 2011 (the “Fourth Extension”) (the First Extension, the Second Extension, the Third Extension, and the Fourth Extension are collectively referred to as the “Extension”);
  - (v) the terms and conditions of the Agreement, as amended by this Amending Agreement No. 3, shall apply during the Extension.
2. The Agreement is amended by adding, after Paragraph 2.4, the following additional paragraph:

## 2.5 Contract Year during the Third Extension

It is the mutual intention of the Parties that all mutual obligations under the Agreement shall continue during the Fourth Extension without material alteration or undue acceleration as a result of the term of the Fourth Extension. For greater certainty, and except where otherwise stated:

the period commencing March 23, 2011 and ending on July 31, 2011 shall be considered part of the 2010/2011 Contract Year.

3. The Agreement is amended by adding, after the third sentence in Paragraph 15.5, the following additional sentence:

"During the month of July 2011, TELUS shall continue to provide the GPS Group with the full Facilitation Credit provided to the GPS Group during the month immediately prior to the end of the First Extension period, in the amount and manner set forth in Schedule D."

4. The Agreement is amended by adding, after the third sentence in Paragraph 15.14, the following additional paragraph:

"The parties acknowledge that the negotiations concerning the Definitive Agreements were not successfully concluded and that all Parties to those agreements did not execute them effective on or before June 30, 2011, as required under Amending Agreement No. 2. Nonetheless, TELUS has now agreed to modify the requirement under Amending Agreement No. 2 as set forth in this paragraph. Effective July 1, 2011, funding from the Upgrade Fund to the GPS Group will continue to be suspended, and during May, June, and July, 2011, no credits will be issued on invoices by TELUS with respect to the Upgrade Fund. However, TELUS now agrees that if negotiations concerning the Definitive Agreements (as defined in Amending Agreement No. 2, effective April 30, 2011) are successfully concluded, and if all Parties to those agreements execute them effective on or before July 31, 2011, TELUS will (notwithstanding that the negotiations concerning the Definitive Agreements were not successfully concluded and that all Parties to those agreements did not execute them effective on or before June 30, 2011 as required under Amending Agreement No. 2) provide funding from the Upgrade Fund to the GPS Group for the period from May 1, 2011 to July 31, 2011 in the amount and manner set forth in Schedule D of the Agreement (for clarity, the GPS Entities will receive up to 3 months Upgrade Fund credit, prorated and retroactive to May 1, 2011). For greater certainty, TELUS shall only be required to provide funding from the Upgrade Fund during this period in respect of existing circuits to which the Upgrade Fund applied prior to the end of the First Extension, and not in respect of new or other circuits which respect to which services are implemented after December 31, 2010. If negotiations concerning the Definitive Agreements are not successfully concluded, and if all Parties to those agreements do not execute them effective on or before July 31, 2011, TELUS will not provide funding and no credits will be payable from the Upgrade Fund to the GPS Group after April 30, 2011."



5. For clarity, there will be no further Annual Rebate payable.
6. It is the intention of the GPS Entities and TELUS that, during the period between January 1, 2011 and July 31, 2011, except as otherwise set out in this Amending Agreement No. 3, the Parties will retain all rights and obligations they had under the MCSA (i.e. all Parties will remain in the same contractual position), and any amendments or changes to the MCSA set out in, or resulting from, this Amending Agreement No. 3 shall be interpreted accordingly.
7. If negotiations concerning the Definitive Agreements are not successfully concluded and if all Parties to those agreements do not execute them effective on or before July 31, 2011 no further extensions of the Initial Term nor of any type will be granted or entered into by TELUS. For clarity, TELUS agrees to the terms herein notwithstanding s. 7 of Amending Agreement No. 2. For clarity, and without limitation, the GPS Entities shall thereafter be entitled to all their rights under the Agreement available upon the end of the Initial Term, including the full right to Extended Services and Termination Services under Section 25 of the Agreement, and similarly and without limitation TELUS shall thereafter be entitled to all of its rights under the Agreement available upon the end of the Initial Term.
8. This Amending Agreement No. 3 may be executed in several counterparts and delivered by electronic transmission, each of which when so executed and delivered shall be deemed to be an original. Such counterparts together shall constitute one and the same instrument, notwithstanding that all of the parties are not signatories to the original or the same counterpart.
9. This Amending Agreement No. 3 shall supersede and replace any prior Service Extension Notice provided by the GPS Entities to TELUS under Section 25 of the Agreement, which shall be of no further force and effect.

IN WITNESS WHEREOF, this Amending Agreement No. 3 has been duly executed by and on behalf of the Parties hereto as of the date hereof.

**TELUS SIGNATURES:**

**TELUS COMMUNICATIONS  
COMPANY**

By: [Signature]  
Name: Monty Carter  
Title: President,  
Enterprise Solutions

**TELUS SERVICES INC.**

By: [Signature]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**GPS ENTITY SIGNATURES:**

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA, as represented by the  
MINISTER OF LABOUR, CITIZENS'  
SERVICES AND OPEN GOVERNMENT,  
in its capacity as a GPS Entity**

By: [Signature]  
Name: Kim Henderson  
Title: Deputy Minister

**BRITISH COLUMBIA HYDRO AND  
POWER AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**BRITISH COLUMBIA LOTTERY  
CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**WORKERS COMPENSATION BOARD  
OF BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TELUS COMMUNICATIONS  
COMPANY**

By: \_\_\_\_\_

Name:  
Title:

Monty Carter  
President,  
Enterprise Solutions

**TELUS SERVICES INC.**

By: \_\_\_\_\_

Name:  
Title:

**GPS ENTITY SIGNATURES:**

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA, as represented by the  
MINISTER OF LABOUR, CITIZENS'  
SERVICES AND OPEN GOVERNMENT,  
in its capacity as a GPS Entity**

By: \_\_\_\_\_

Name:  
Title:

**BRITISH COLUMBIA HYDRO AND  
POWER AUTHORITY**

By: \_\_\_\_\_

Name: D STUCKERT  
Title: VP CFO



**BRITISH COLUMBIA LOTTERY  
CORPORATION**

By: \_\_\_\_\_

Name:  
Title:

**WORKERS COMPENSATION BOARD  
OF BRITISH COLUMBIA**

By: \_\_\_\_\_

Name:  
Title:

**TELUS COMMUNICATIONS  
COMPANY**

By: \_\_\_\_\_

Name:  
Title:

*Morley Carter*  
President,  
Enterprise Solutions

**TELUS SERVICES INC.**

By: \_\_\_\_\_

Name:  
Title:

*Morley Carter*

**GPS ENTITY SIGNATURES:**

**HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA, as represented by the  
MINISTER OF LABOUR, CITIZENS'  
SERVICES AND OPEN GOVERNMENT,  
in its capacity as a GPS Entity**

By: \_\_\_\_\_

Name:  
Title:

**BRITISH COLUMBIA HYDRO AND  
POWER AUTHORITY**

By: \_\_\_\_\_

Name:  
Title:

**BRITISH COLUMBIA LOTTERY  
CORPORATION**

By: \_\_\_\_\_

*Lynette Hughes*  
Name: *Lynette Hughes*  
Title: *V.P. Transformation  
and Technology*

**WORKERS COMPENSATION BOARD  
OF BRITISH COLUMBIA**

By: \_\_\_\_\_

Name:  
Title:

TELUS COMMUNICATIONS  
COMPANY

By: [Signature]  
Name: Monty Carter  
Title: President, Enterprise Solutions

TELUS SERVICES INC.

By: [Signature]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

GPS ENTITY SIGNATURES:

HER MAJESTY THE QUEEN IN RIGHT  
OF THE PROVINCE OF BRITISH  
COLUMBIA, as represented by the  
MINISTER OF LABOUR, CITIZENS'  
SERVICES AND OPEN GOVERNMENT,  
in its capacity as a GPS Entity

BRITISH COLUMBIA HYDRO AND  
POWER AUTHORITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_


BRITISH COLUMBIA LOTTERY  
CORPORATION

WORKERS COMPENSATION BOARD  
OF BRITISH COLUMBIA

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: [Signature]  
Name: Shelita Gomez  
Title: Sr Manager, Corporate & Health Care Purchasing

**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By:   
Name: DAVE DEBOR  
Title: Director, IS SOLUTIONS DELIVERY

**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**INTERIOR HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**FRASER HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:


**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies**

By: \_\_\_\_\_  
Name:  
Title:

**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:

**NORTHERN HEALTH AUTHORITY**

By:   
Name: James Uhrich  
Title: Director, Technology Services

**INTERIOR HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**FRASER HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies**

By: \_\_\_\_\_  
Name:  
Title:

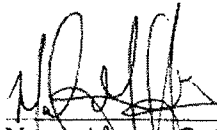
**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:

**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**INTERIOR HEALTH AUTHORITY**

By:  \_\_\_\_\_  
Name: HAL GRIFFEN  
Title: CARE INFORMATION OFFICER

**FRASER HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies**

By: \_\_\_\_\_  
Name:  
Title:



**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By: \_\_\_\_\_

Name:  
Title:

**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_

Name:  
Title:

**INTERIOR HEALTH AUTHORITY**

By: \_\_\_\_\_

Name:  
Title:

**FRASER HEALTH AUTHORITY**

By: 

Name: DR. NIGEL MURRAY  
Title: PRESIDENT & CEO

**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By: \_\_\_\_\_

Name:  
Title:

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By: \_\_\_\_\_

Name:  
Title:

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies**

By: \_\_\_\_\_

Name:  
Title:

**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name:  
Title:

**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:


**INTERIOR HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**FRASER HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By:   
Name: Catherine Cleuter-Larson  
Title: V.I.C.I.O.  
July 3/11

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name:  
Title:

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies**

By: \_\_\_\_\_  
Name:  
Title:

**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**INTERIOR HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_


**FRASER HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By:   
Name: DR. DAVID OSTROW  
Title: PRESIDENT AND CHIEF EXECUTIVE OFFICER

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**INSURANCE CORPORATION OF  
BRITISH COLUMBIA**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**NORTHERN HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**INTERIOR HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRASER HEALTH AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

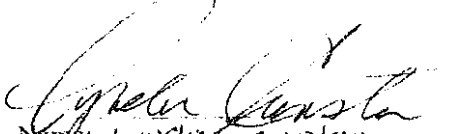
**VANCOUVER ISLAND HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**VANCOUVER COASTAL HEALTH  
AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PROVINCIAL HEALTH SERVICES  
AUTHORITY, on its own behalf and on  
behalf of its Branch Societies**

By:   
Name: LYNDA GRAYSON  
Title: President / CEO

## SERVICE ORDER

This Service Order is made under and is subject to the terms and conditions of the Telecommunications Service Master Agreement effective July 29, 2011, as may be amended from time to time, between TELUS Communications Company, Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Labour, Citizen's Services and Open Government, Insurance Corporation of British Columbia, British Columbia Hydro and Power Authority, British Columbia Lottery Corporation, Workers Compensation Board of British Columbia, Provincial Health Services Authority, Northern Health Authority, Interior Health Authority, Fraser Health Authority, Vancouver Island Health Authority and Vancouver Coastal Health Authority (the "Agreement").

Where words and expressions which are defined in the Agreement are used herein, such words and expressions shall have the meaning ascribed to them in the Agreement unless otherwise specifically provided for herein.

GPS Entity name:	HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister of Labour, Citizens' Services and Open Government (the "Province")	Service Order number:	
Service Term:	Initial STC Term per Service Tower of Services identified below as set out in section 7.2.1 of the Agreement	Date:	July 29, 2011
Services:	<p>This Service Order is for Services under the following Service Towers: Long Distance Services, Conferencing Services, Voice Services, Data Services and Cellular Services. The particulars of the Services being ordered are summarized below, separated by Service Tower, and described in further detail in the document entitled "GPS Workbook – The Province" emailed by John Black of TELUS to Roman Mateyko of the Province on July 25, 2011. Notwithstanding sections 7.1.1 and 7.4.1(b) of the Agreement, this Service Order is considered a separate Initial Service Tower Commitment for each Service Tower of Services listed herein.</p> <p>This Service Order is also for all Services that: (a) TELUS provides to the GPS Entity as of immediately prior to the Effective Date; (b) is similar in nature to any of services described in the Attachments to Schedule H of the Agreement but is not described in such Attachments; and (c) is included on an invoice provided to the GPS Entity in connection with a TELUS Prior Agreement between TELUS and the GPS Entity for a billing period ending on or including the Effective Date.</p> <p>Except as otherwise provided in the Agreement and subject the right of the GPS Entity to amend, cancel or change any service as permitted under this Agreement and subject to any express exclusions set out below, TELUS and the GPS Entity acknowledge that it is the intention of the GPS Entity to</p>		

	<p>order all of the services that are both (i) within the scope of the Available Services being provided to the GPS Entity by TELUS as of immediately prior to the Effective Date and (ii) included in the calculation of the initial Revenue Commitment (i.e. the spend of the GPS Entity on such services was included in the calculation of the initial Revenue Commitment using the agreed methodology for such calculation). Based upon the foregoing principle, if the GPS Entity identifies within 6 months of the Effective Date an error (including omissions) in the description of the services ordered pursuant to this Service Order, the GPS Entity may refer the matter to the Operational Management Committee for resolution in accordance with the Governance Process. If the Operational Management Committee (or if further escalated, the Strategic Management Committee or Joint Executive Governance Committee) agrees with the GPS Entity that such error was made, then the GPS Entity and TELUS agree to execute a Service Change Order to amend this Service Order as directed by such committee to correct such error.</p> <p>This Service Order is not for any of the following services: None.</p>		
Special Terms:	<p>Any special terms set out in Schedule KK of the Agreement with respect to the Province will apply to this Service Order.</p> <p>Notwithstanding section 7.4.1(a) of the Agreement and the Service Order content requirements of Schedule F of the Agreement, the Province and TELUS agree that this Service Order shall be a valid Service Order under the Agreement.</p>		
Fees:	Per the Price Book		
Authorizing individual (including title) of the GPS Entity:	Kim Henderson, Deputy Minister, Citizens' Services and Open Government, Ministry of Labour, Citizens' Services and Open Government	Phone number:	250-387-8852
Delivery location of any equipment components:	N/A		

This Service Order may be executed in several counterparts and delivered by electronic transmission, each of which when so executed and delivered shall be deemed to be an original. Such counterparts together shall constitute one and the same instrument, notwithstanding that all of the parties are not signatories to the original or the same counterpart.

**[Signature Page Follows]**

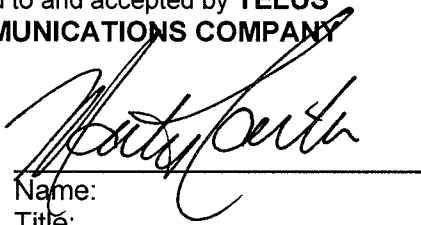
HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF BRITISH COLUMBIA,  
as represented by the MINISTER OF  
LABOUR, CITIZENS' SERVICES AND  
OPEN GOVERNMENT

By: 

Name: Kim Henderson,

Title: Deputy Minister, Citizens' Services and Open Government

Agreed to and accepted by **TELUS  
COMMUNICATIONS COMPANY**

By: 

Name:  
Title:

Date: July 29, 2011

Long Distance Services

1. Outbound Long Distance Services: TELUS is the primary outbound long distance provider for the Voice Services (commonly referred to as "PIC'd to TELUS as the Primary Inter-Exchange Carrier").
2. Toll-Free Services: Below is the list of numbers to which Toll-Free Services apply:

8002072051	8662300212	8669169676	8779810008
8002119645	8662307107	8669175999	8779875463
8002252257	8662308180	8669441844	8779924258
8002554354	8662365544	8669522448	8779998707
8002596760	8662485212	8669524718	8882010045
8002636066	8662651155	8669526801	8882118622
8002827955	8662861336	8669533692	8882121188
8002924033	8663016688	8669533898	8882217141
8002926833	8663053804	8669550556	8882217711
8002926933	8663123322	8669567551	8882247233
8002928233	8663228277	8669810045	8882277734
8002987953	8663229277	8669892737	8882423788
8002987955	8663288833	8669910296	8882433222
8002987958	8663342244	8669992117	8882451903
8003084533	8663546216	8772103332	8882499111
8003117044	8663546933	8772388882	8882499222
8003316933	8663560138	8772486767	8882499299
8003343011	8663624986	8772522912	8882499333
8003373531	8663645514	8772523193	8882574777
8003414611	8663661466	8772528130	8882622112
8003618866	8663665986	8772528131	8882727333
8003710799	8663706203	8772528132	8882741133
8003732662	8663730792	8772528133	8882812992
8003881606	8663770177	8772528134	8882822283
8003915115	8663770177	8772528135	8882939833
8004295588	8663777515	8772880889	8882957781
8004488228	8663873952	8772953790	8882990805
8004558813	8663875100	8773052277	8882999199
8004654911	8663875722	8773133363	8883064422
8004746133	8663879606	8773158822	8883223284
8004750091	8663879771	8773168822	8883223310
8004763933	8663879903	8773320101	8883238338
8005140554	8663882888	8773338537	8883323352
8005332555	8663955633	8773341370	8883340335
8005389166	8663984220	8773403726	8883367378



8005504997	8663992947	8773432767	8883386622
8005599688	8663998099	8773561660	8883391188
8005611818	8663999350	8773562029	8883445888
8005614611	8663999351	8773562798	8883552700
8005630808	8663999354	8773563456	8883560358
8005651557	8663999356	8773567591	8883561883
8005652500	8663999357	8773567666	8883562741
8005658228	8663999358	8773569313	8883566144
8005673247	8663999359	8773569687	8883566564
8005674997	8663999361	8773658518	8883568017
8005674997	8663999362	8773723456	8883870068
8005727735	8663999363	8773774433	8883873354
8005788511	8663999366	8773784802	8883877646
8005859559	8664043008	8773870457	8884261282
8006094884	8664165988	8773871084	8884313411
8006288892	8664176022	8773871197	8884400111
8006612279	8664248350	8773871696	8884408844
8006612476	8664308765	8773873332	8884474427
8006614066	8664337272	8773873660	8884477977
8006614766	8664550855	8773877027	8884534280
8006616131	8664556644	8773878349	8884534280
8006617441	8664660665	8773884440	8884565448
8006618683	8664874402	8773884498	8884568953
8006618773	8664887041	8773888716	8884647747
8006619903	8665067020	8773888755	8884667438
8006631385	8665142711	8774030533	8884675638
8006631441	8665153456	8774054911	8884954440
8006632165	8665514355	8774288337	8885188822
8006632782	8665535537	8774706862	8885262229
8006633316	8665570035	8774723399	8885268555
8006633456	8665663066	8774723399	8885335133
8006634261	8665717999	8774874422	8885408611
8006635555	8665864248	8775044133	8885440443
8006636105	8666124194	8775078471	8885448444
8006636695	8666127333	8775114111	8885877114
8006637051	8666142750	8775261526	8885880880
8006637611	8666164999	8775440699	8886065483
8006637867	8666247734	8775495544	8886088882
8006638783	8666318161	8775585571	8886133232
8006638823	8666555711	8775585572	8886139993
8006639122	8666600505	8775585573	8886139993

8006639453	8666600811	8775585574	8886182266
8006639910	8666602684	8775700111	8886387906
8006639910	8666603194	8775772227	8886430013
8006639999	8666603211	8775775872	8886558855
8006651118	8666603223	8775777275	8886600046
8006651511	8666603888	8775896777	8886601548
8006652246	8666682137	8775921903	8886609528
8006652515	8666706070	8776022288	8886611566
8006652515	8666965002	8776032422	8886667041
8006652570	8666965003	8776058467	8886681602
8006652699	8666965004	8776168300	8886913199
8006652699	8666965005	8776168300	8887025795
8006653068	8666965006	8776318282	8887080888
8006653068	8666965007	8776524304	8887127974
8006653554	8666965008	8776527465	8887161211
8006653790	8667002427	8776555508	8887221188
8006655254	8667070161	8776571188	8887316630
8006656399	8667222235	8776601042	8887492293
8006656597	8667517007	8776601203	8887517711
8006656770	8667658516	8776601207	8887550556
8006657199	8667730061	8776602522	8887582888
8006658150	8667750011	8776605077	8887642323
8006658779	8667958311	8776606977	8887643663
8006662977	8667995395	8776608218	8887704770
8006669915	8668005522	8776608218	8887715066
8006669917	8668222204	8776608850	8887750681
8006671178	8668227940	8776618026	8887751726
8006671182	8668233501	8776722775	8887751740
8006671303	8668233502	8776722775	8887751742
8006674321	8668234239	8776774227	8887753530
8006674770	8668234240	8777025585	8887758785
8006675623	8668234241	8777140630	8887768666
8006676242	8668234243	8777150127	8887775011
8006679463	8668234244	8777282288	8887775022
8006682117	8668234245	8777297041	8887775033
8006682249	8668234246	8777333277	8887924478
8006682800	8668234248	8777413707	8887956111
8006683637	8668234249	8777413820	8887971717
8006686335	8668235371	8777440443	8888001433
8006804264	8668235372	8777458937	8888116233
8006813611	8668235373	8777600424	8888128811

8007290344	8668235374	8777717557	8888181211
8007316373	8668235375	8777722200	8888221345
8007423664	8668235376	8777750307	8888233355
8007579406	8668235377	8777752142	8888284351
8007728120	8668235379	8777773530	8888292299
8007934832	8668235380	8777781244	8888371116
8007942111	8668235855	8777841330	8888377577
8008227899	8668235856	8777879730	8888427612
8008800554	8668235857	8777962137	8888617397
8008801022	8668235859	8777992399	8888733212
8008846166	8668235950	8778152363	8888736155
8009019609	8668237888	8778188034	8888761633
8009151925	8668272277	8778220223	8888791166
8009197726	8668339123	8778262010	8888802742
8009252233	8668377611	8778553222	8888834766
8009411818	8668482555	8778685882	8888842257
8009522895	8668489034	8778694900	8888995999
8009810073	8668557575	8778705894	8889285875
8009881155	8668617440	8778772474	8889399278
8009909888	8668618700	8778775524	8889443327
8009909888	8668660800	8778778811	8889522754
8009987966	8668704150	8778912229	8889524285
8553567751	8668704182	8778993215	8889525515
8553594622	8668704186	8779075040	8889527968
8553663287	8668704188	8779223399	8889529304
8556600605	8668704189	8779272156	8889534178
8556602757	8668704190	8779272234	8889534986
8662052102	8668705492	8779522869	8889810110
8662063030	8668705888	8779525924	8889879871
8662092111	8668766677	8779526914	8889889488
8662171117	8668766777	8779527277	8889912111
8662181181	8668768877	8779645650	8889948444
8662224315	8668811188	8779770858	8889990998
8662292226	8668883324		

Conferencing Services

Service	Quantity
Audio Conferencing Services	6844 accounts

Service	Quantity
Web Conferencing Services (Basic Licenses)	7200 licenses
Web Conferencing Services (Standard Licenses)	400 licenses
Web Conferencing Services (Professional Licenses)	400 licenses
Total	8000 licenses

Voice Services

Service	Quantity
*60 CALL SCREEN	1
3 WAY CALLING	1
ANALOG PL INTERPROV IX LINK CHARGE DATA	2
ANALOG PL IX BASE CHARGE, 101-200MI	3
ANALOG PL IX BASE CHARGE, 1-25MI	9
ANALOG PL IX BASE CHARGE, 201-500MI	1
ANALOG PL IX BASE CHARGE, 26-50MI	3
ANALOG PL IX BASE CHARGE, 51-100MI	6
ANALOG PL IX LOCAL CHANNEL 2-WIRE	9
ANALOG PL IX LOCAL CHANNEL 4-WIRE	34
ANALOG PL IX MILEAGE, 101-200MI	368
ANALOG PL IX MILEAGE, 1-25MI	130
ANALOG PL IX MILEAGE, 201-500MI	324
ANALOG PL IX MILEAGE, 26-50MI	118
ANALOG PL IX MILEAGE, 51-100MI	455
ANALOG PRIVATE LINE 4WIRE ADDL QTR MILE	3,595
ANALOG PRIVATE LINE 4WIRE, 1ST QTR MILE	112
ANALOG PRIVATE LINE DUPLEX 1ST QTR MILE	3
ANALOG PRIVATE LINE DUPLEX ADD'L QTR MI	26
ANALOG PRIVATE LINE, 1ST QTR MILE	26
ANALOG PRIVATE LINE, ADD'L QTR MILE	486
AUTOMATIC BLOCKING	366
BRI ACCESS 2B	517

BRI OUTSIDE PLANT EXTENSION	7
BUSINESS CALLING FEATURES BUNDLE	1
CALL DISPLAY	244
CALL FORWARD TO VOICE MAIL	1
CALL FORWARDING BUSY NO ANSWER	38
CALL FORWARDING FIXED CENTRAL OFFICE	33
CALL FORWARDING NO ANSWER	7
CALL FORWARDING VARIABLE	144
CALL GATE	4
CALL GUARDIAN - DENY 3RD PARTY CALLING	34
CALL GUARDIAN - DENY COLLECT CALLING	20
CALL GUARDIAN - DENY TOLL	38
CALL INTERCEPT	41
CALL TRANSFER	17
CALL WAITING	7
CENTREX ACD AGENT/SUPERVISOR	232
CENTREX ACD GROUP	32
CENTREX ACD MIS DATA PORT	2
CENTREX ADDITIONAL DIRECTORY NUMBER	2,080
CENTREX ALTERNATE NUMBER DELIVERY	417
CENTREX ANALOG TRUNK TERMINATION	99
CENTREX AUDIO INPUT ON HOLD (AIOH) PORT	3
CENTREX CALL DISPLAY BLOCK	1,907
CENTREX COMBINED VOICE MAIL SERVICE	120
CENTREX COMBINED VOICE MAILBOX	5

CENTREX CONFERENCE BRIDGE	2
CENTREX DIGITAL TRUNK TERMINATION	16
CENTREX DRAM ADDITIONAL SECONDS	1
CENTREX DRAM CARD	4
CENTREX DRAM MESSAGE	1
CENTREX DYNAMIC CHANGE ADJACENT SYSTEM	4
CENTREX ECP CALLER MENU	23
CENTREX ECP INFORMATION ONLY MENU	25
CENTREX ECP TRANSFER MAILBOX	5
CENTREX ENHANCED ANSWERING POSITION	302
CENTREX ENHANCED CALL PROCESSING MBX	49
Centrex single line	12,754
New Centrex Lines (to be transitioned)	821
CENTREX MESSAGE WAITING INDICATION	70
CENTREX MESSAGE WAITING SOFTWARE	1
Centrex Multi line	332
CENTREX NETWORK SPEED CALL 251-500 NBRS	2
CENTREX SIMULTANEOUS RING	6
CENTREX SMDI LINK	3
CENTREX SPEED CALL 30 NUMBERS	26
CENTREX SPEED CALL 50 NUMBERS	12
CENTREX SPEED CALL 70 NUMBERS	9
Centrex IPM Standard Mailbox GPS 10Y	2,012
CENTREX TRANSFER MAILBOX	54
COMBINED VOICE MAIL	1

COMMON BATTERY SIGNALLING	6
CONTROL CIRCUIT, EACH QTR MILE	19
CONTROL CIRCUIT, MINIMUM MILEAGE*	1
CUT OFF KEY	19
DATA/VOICE TELEPHONE(DATA CONTROL UNIT)	7
DIG EXCH ACC DS1 BAND 0 GPS	14
DIG EXCH ACC DS1 BAND 2 GPS	11
DIG EXCH ACC MULTI FREQUENCY SIGNALLING	141
DIG EXCH ACC NETWORK LINK TOLL FREE	36
DIG EXCH ACC PSTN CONNECTION GPS	403
DIG EXCH ACC PSTN TERMINATION GPS	25
DIGITAL PRIVATE LINE B8ZS OPTION	64
Direct In Dial Number	21,472
DIRECT IN LOCAL ADDRESS	18,427
DIRECTORY ASSISTANCE BLOCK	3
DIRECTORY LISTING ADDITIONAL - BUSINESS	11,353
DNA DS0	2
DNA DS1 BAND 0	58
DNA DS1 BAND 2	42
DNA DS1 BAND 3 INIT 4	55
DNA DS1 CHANNELIZE	1
DNA DS1 INTRA-EXCHANGE CHANNEL	15
DNA DS1 LINK	108
DNA LINK	1
DPL CIRCUIT TERMINATION	1



DPL IX DS0 1-25 MILE BASE	1
DPL IX DS0 1-25 MILE EACH	26
DPL IX DS1 1-25 MILE BASE	7
DPL IX DS1 1-25 MILE EACH	97
Information System Access Line (ISA)	1
INTELLIROUTE MONITORING	1
INTEREXCHANGE ANALOG PRIVATE LINE	15
INTRAPROVINCIAL IX LINK CHARGE	43
Business Individual Line	2,143
Information System Access Line (ISA)	473
Business Multiline	2,348
MESSAGE RELAY SERVICE	4,905
OFF HOOK SERVICE	12
OFF PREMISE EXTENSION EACH QTR MILE	285
OFF PREMISE EXTENSION GROUP RATE 2-WIRE	4,651
OFF PREMISE EXTENSION GROUP RATE 4-WIRE	173
OFF PREMISE EXTENSION MAXIMUM MILEAGE	1
OFF PREMISE EXTENSION, 1ST QTR MILE	658
OFF PREMISE EXTENSION, ADD'L QTR MILE	4,240
OVERLINE STOP SERVICE 1ST TYPE D	2
OVERLINE STOP SERVICE 1ST TYPE E	1
PRI Access	132
PRI BACKUP D CHANNEL	17
PRI CALL DISPLAY	2,557
PRI INWARD NUMBER	101

PRI PRIVATE NETWORK LINK TYPE A	32
PRI SIGNALLING INTERFACE 3 YR	27
PRI STATION LEVEL BILLING 5 YR	3
PRIVATE LINE DATA SAME PROPERTY	18
REMOTE CALL FORWARDING	16
RENTAL EQUIPMENT CHARGE	309
Reserved Number	8,154
SERVICEFINDER 310 ACCESS	1
SERVICESAVER 1-20 NUMBERS < 1 YR	10
SERVICESAVER 21-50 NUMBERS < 1 YR	26
SERVICESAVER ACTIVATION	10
SIGNAL TRANS CLASS B LOCAL CHANNEL MIN	5
SIGNAL TRANS CLASS B, EACH QTR MILE	9
SIGNAL TRANS CLASS C, 1ST QTR MILE	5
SIGNAL TRANS CLASS C, ADD'L QTR MILE	16
SIGNAL TRANSMISSION	1
SMART RING	8
SMARTER PACKAGE	2
SP EES COQUIHALLA BCG MTCE	1
SP ISLAND INTERNET EQUIPMENT RACK 1YEAR	1
SPASY PBX LOCAL ADDRESS	17,249
SPEED CALLING 30	1
TIE TRUNK 4-WIRE, 1ST QTR MILE	37
TIE TRUNK 4-WIRE, ADD'L QTR MILE	249
TIE TRUNK, 1ST QTR MILE	8

TIE TRUNK, ADD'L QTR MILE	46
VMO STANDARD LARGE CAPACITY MBX	1
VOICE MAIL SIMPLE	161

Data Services

Service	Quantity
NBC BI - 10Mbps	1
NBC Internet Gateway 10M	1
NBC BI - 10Mbps	1
Carrier Internet Direct	1
Additional Port-Ethernet	2
CPE Custom WAN Router	4
Custom Network Service	2
EB-1	95
IP QoS Enhanced - AF MAN Mbps	37
IP QoS Enhanced MAN 100Mbps	3
IPX Routing	1
NBC ATM MAN - WAN Gateway 100Mbps	6
NBC Bridged MEA - 1.5Mbps	9
NBC Bridged MEA - 100Mbps	42
NBC Bridged MEA - 10Mbps	150
NBC Bridged MEA - 128Kbps	1
NBC Bridged MEA - 30Mbps	19
NBC Ethernet Bridged ADSL	702
NBC GigE L2 Metro (10 Mbps)	29
NBC GigE L2 Metro (100 Mbps)	17
NBC GigE L2 Metro (1000 Mbps)	13
NBC GigE L2 Metro (200 Mbps)	18
NBC GigE L2 Metro (300 Mbps)	6

NBC GigE L2 Metro (400 Mbps)	6
NBC IP QoS Premium EF Metro (Per Mbps)	24
NBC IP QoS Premium EF WAN (Per Mbps)	3
NBC L2 MAN - 100Mbps	391
NBC L2 MAN - 10Mbps	583
NBC L2 MAN - Metro GW - 1000Mbps	3
NBC L2 MAN - Metro GW - 100Mbps	11
NBC L2 MAN - Metro GW - 200Mbps	9
NBC L2 MAN - Metro GW - 300Mbps	4
NBC L2 MAN - Metro GW - 400Mbps	7
NBC L2 MAN - Metro GW - 500Mbps	4
NBC L2 Metro - WAN Gateway 100Mbps	2
NBC L2 Metro - WAN Gateway 200Mbps	3
NBC L2 Metro - WAN Gateway 400Mbps	2
NBC L2 Metro - WAN Gateway 500Mbps	1
NBC METRO L3 VPN - 100Mbps	1
NBC METRO L3 VPN - 200Mbps	1
NBC METRO L3 VPN Gateway - 400Mbps	1
NBC PNG Access	4
NBC PNG Service	1
NBC Routed MEA - 1.5Mbps	2
NBC Routed MEA - 10Mbps	3
NBC Routed MEA - 30Mbps	1
NBC WAN L3 VPN - 1.5Mbps	72
NBC WAN L3 VPN - 1000Mbps	1

NBC WAN L3 VPN - 100Mbps	4
NBC WAN L3 VPN - 10Mbps	18
NBC WAN L3 VPN - 128Kbps	7
NBC WAN L3 VPN - 200Mbps	1
NBC WAN L3 VPN - 500Mbps	2
NBC WAN L3 VPN - Asymmetric	762
SMIS-Service Mgmt Info System	2
WAN L3 VPN - 200MBPS	2
<b>Total</b>	<b>3098</b>

Cellular Services

Service	Quantity
PCS	3799
ANALOG	76
BLACKBERRY	2621
PDA	9
SIM ONLY	199
iPHONE	207
Aircard	522
Modem	753
MiKE	36
<b>Total</b>	<b>8222</b>

June 15, 2011

CONFIDENTIAL

TELUS Communications Company  
826 Yates Street  
Victoria, BC  
V8W 2H9

Attention: Mike Rostad, Director of BC Public Sector

Dear Sir:

**Re: Letter Agreement Regarding Web Conferencing Services to be Provided Pending Conclusion of a Master Agreement Pursuant to Negotiated Request for Proposals SATP-261 (the "NRFP")**

This letter sets out the terms of an agreement (this "**Letter Agreement**") between TELUS Communications Company ("**TELUS**") and Her Majesty the Queen in Right of the Province of British Columbia as represented by the Minister of Labour, Citizens' Services and Open Government, which for clarity does not include the other GPS Entities (the "**Province**"), as Administrator for and on behalf of the Province and the other GPS Entities, with respect to the transition and implementation of Web Conferencing Services (as defined in Schedule "A" to this Letter Agreement) pending conclusion of negotiations of a Master Agreement between TELUS, the Province and the other GPS Entities pursuant to the NRFP (the "**Master Agreement**"). Capitalized terms not defined in the body of this Letter Agreement or in Schedule A will be defined as set forth in the Master Competitive Services Agreement ("**MCSA**").

### **General**

1. The Province, TELUS, TELUS Service Inc. and the other GPS Entities (collectively, the "**Parties**") entered into the MCSA for the provision of telecommunications services effective as of March 23, 2005, as amended and restated on March 31, 2007 and as further amended and restated on July 9, 2008. The term of the MCSA will end on June 30, 2011.
2. The Province issued the NRFP on December 22, 2008. TELUS submitted a proposal and was subsequently selected as a top-ranked proponent invited to enter negotiations for the conclusion of the Master Agreement to be a primary, but non-exclusive, supplier to the Province and the GPS Entities of certain telecommunications services, the scope of which is more particularly described in the NRFP documentation.
3. The Parties commenced negotiations with respect to a Master Agreement in October, 2009 and anticipate that these negotiations will continue until at least the end of June, 2011.
4. Pending the conclusion of negotiations concerning the Master Agreement, the Parties acknowledge and agree that there is mutual benefit in entering into this Letter Agreement, whereby TELUS will accelerate the transition and implementation of Web Conferencing Services on the terms and conditions set out in this Letter Agreement.



## **Effective Date**

5. This Letter Agreement will take effect on June 15, 2011 (the “**Effective Date**”).

## **Term**

6. The term of this Letter Agreement will commence on the Effective Date and will end on June 30, 2014 (the “**Term**”) unless sooner terminated in accordance with the terms of this Letter Agreement. Notwithstanding anything else contained herein, in no event will TELUS be required to extend the Term of this Letter Agreement.

## **Parties**

7. The parties to this Letter Agreement are:
  - (a) TELUS; and
  - (b) the Province.

## **Transition**

8. Commencing on the Effective Date, TELUS will conduct a transition of the Web Conferencing Services (the “**Transition**”) in accordance with a transition plan to be agreed by TELUS and the Province as soon as reasonably possible containing the matters necessary for the Transition (the “**Transition Plan**”).
9. TELUS will complete the Transition by no later than June 30, 2011.
10. TELUS and the Province will use all reasonable commercial efforts to perform all required activities in respect of the Transition that are necessary to complete the Transition in accordance with the Transition Plan and this Letter Agreement.

## **Services**

11. Upon the completion of the Transition and only in respect of Service Orders received by TELUS on or before June 20, 2011, TELUS will provide to the Province, for the Term, the Web Conferencing Services, as described in Schedule “B” to this Letter Agreement (including Schedule “C” referenced in that Schedule)..
12. Capitalized terms regarding Web Conferencing Services not defined in Schedule “A” to this Letter Agreement will be defined as set forth in the MCSA.
13. Subject to any specific terms, conditions and modifications set out in this Letter Agreement and its schedules, the following provisions of the MCSA are incorporated by reference into this Letter Agreement and any reference to the term “Agreement” in these provisions of the MCSA will be deemed to refer to this Letter Agreement. The following provisions of the MCSA will apply to the Web Conferencing Services during the Term:
  - (a) Sections 8.3 through 8.9;
  - (b) Sections 10.6, 10.9 and 10.10;
  - (c) Sections 11.2 (only as it relates to TELUS), 11.3 and 11.4;

- (d) Article 12;
- (e) Section 13.5;
- (f) Sections 15.7 (excluding reference to Schedule D) through 15.9, 15.11 and 15.12;
- (g) Article 16;
- (h) Articles 18 through 20;
- (i) Section 22.1 except for subsections (c), (d) and (j), and sections 22.2 through 22.5;
- (j) Sections 23.1 and 23.2;
- (k) Sections 24.1, 24.2, 24.3, 24.4, 24.5 and 24.7;
- (l) Article 26; and
- (m) Articles 27 through 29.

14. For clarity, this Letter Agreement does not constitute an extension of the MCSA nor should it be read in conjunction with or interpreted in accordance with the terms and conditions of the MCSA, except as specifically stated herein and subject to section 20. As an example, any spend by a GPS Entity in relation to the Web Conferencing Services after the Effective Date will be excluded from the calculation of Aggregate Spend under the MCSA.

### **Pricing**

15. At the beginning of each year of the Term, TELUS will bill the Province for and the Province will pay in advance the Fees for the Web Conferencing Services for the following 12 months. The Fees will be set out in the Service Order and will be based on the rates set out in section 9 of Schedule "B" to this Letter Agreement. For certainty, the Fees for the first 12 months of the Term, based on the number of subscriptions requested by the Province, are set out in section 9 of Schedule "B" ("**Year 1 Fees**") and do not include applicable taxes.

### **Termination**

16. If a Master Agreement is executed by the Parties prior to the end of the Term, this Letter Agreement will terminate on the date of execution of the Master Agreement or on such other date as agreed by the Parties and will be superseded by the terms of the Master Agreement, the Service Order(s) for the Web Conferencing Services under this Letter Agreement will become part of the Service Tower Commitment under the Master Agreement.
17. Until a Master Agreement is executed by the Parties pursuant to section 16 above, the following terms will apply:
- (a) this Letter Agreement will remain in force and continue to apply, unless terminated by the Province on 60 days prior written notice to the other party;

- (b) the Province acknowledges and agrees that if the Province terminates this Letter Agreement within the first 12 months of the Term, the Province will not be entitled to any reimbursement of the Year 1 Fees.

**Enforceability**

- 18. This Letter Agreement is intended to create legally binding obligations as between the parties and each party acknowledges having received good and sufficient consideration for agreeing to its respective commitments and obligations under this Letter Agreement.
- 19. This Letter Agreement will be governed by laws of the Province of British Columbia and may not be assigned in whole or in part by either party without the prior written consent of the other, which consent may be withheld for any reason.

**Order of Precedence**

- 20. In the event of any conflict or inconsistency between the provisions of any of the following parts of this Letter Agreement, the following descending order of priority will apply, to the extent of such conflict or inconsistency:
  - (a) Schedule "B" with Schedule "A";
  - (b) Schedule "C";
  - (c) the main body of this Letter Agreement, excluding section 13; and
  - (d) Section 13 of this Letter Agreement.

**[Intentionally Blank]**

21. This Letter Agreement may be executed in any number of counterparts which may be delivered by facsimile transmission or e-mail with the executed counterpart attached in PDF format. Each counterpart when so executed and delivered will be deemed an original, and all such counterparts together will constitute one single agreement between the parties.

Signed as of the date first written above.

**TELUS SIGNATURE:**

**TELUS COMMUNICATIONS  
COMPANY**

By: 

Name: Mike Rostad  
Title: Director of BC Public Sector

**PROVINCE SIGNATURE:**

**HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF BRITISH COLUMBIA,  
as represented by the MINISTER OF  
LABOUR, CITIZENS' SERVICES AND  
OPEN GOVERNMENT, as Administrator  
for and on behalf of the Province and the  
other GPS Entities**

By:  
Name:  
Title:

21. This Letter Agreement may be executed in any number of counterparts which may be delivered by facsimile transmission or e-mail with the executed counterpart attached in PDF format. Each counterpart when so executed and delivered will be deemed an original, and all such counterparts together will constitute one single agreement between the parties.

Signed as of the date first written above.

**TELUS SIGNATURE:**

**TELUS COMMUNICATIONS  
COMPANY**

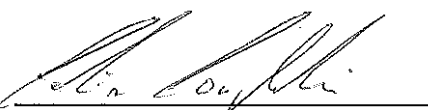
By:

\_\_\_\_\_  
Name: Mike Rostad  
Title: Director of BC Public Sector

**PROVINCE SIGNATURE:**

**HER MAJESTY THE QUEEN IN RIGHT OF  
THE PROVINCE OF BRITISH COLUMBIA,  
as represented by the MINISTER OF  
LABOUR, CITIZENS' SERVICES AND  
OPEN GOVERNMENT, as Administrator  
for and on behalf of the Province and the  
other GPS Entities**

By:

  
\_\_\_\_\_  
Name: Colin Coughlin  
Title: Director Network Operation  
Acting Executive Director Network Services

## Schedule "A"

### Web Conferencing Services Definitions

**"Audio Conferencing"** means a communications session which allows live exchange and mass articulation of information among persons and machines remote from one another but linked by a telecommunications system, usually over the phone line, Internet or other appropriate technologies.

**"Conference"** means the exchange of information among multiple people and machines remote from one another but linked by a Telecommunications System.

**"Microsoft Terms of Service"** means the terms and conditions set out in Schedule "C" to this Letter Agreement.

**"Named Users"** means those Subscribers whom a GPS Entity has identified to TELUS as requiring access to host the Web Conferencing Services.

**"Participant"** means any individual participating in a Conference

**"Service Account Number"** means the unique numerical identifier for a Moderator of a Conference account that identifies all audio and Web Conferencing Services associated with that Moderator.

**"Subscriber"** means an individual designated by a GPS Entity who has provided to TELUS a subscription for Web Conferencing Services that TELUS has acted on to enable such individual to order Web Conferencing Services from TELUS.

**"Telecommunications System"** means any combination of hardware and software, including any wire, line, cable, radio, optical or other electromagnetic system or networking device, used to link such combination of hardware and software for purposes of the emission, transmission or reception of intelligence.

**"Web Conferencing Services"** means the Microsoft Office LiveMeeting services, which are Available Services, described in Schedule "B" to the Letter Agreement.

## Schedule "B"

### Web Conferencing Services

#### Web Conferencing Services Description

##### 1. Service Title and Number

- 1.1 Where a Service Order received by TELUS on or before June 20, 2011, in each case entered into in accordance with the terms of this Letter Agreement, references Web Conferencing Services, TELUS will provide the Province with Web Conferencing Services which include all of the attributes, features, characteristics, components and service parameters described in this Schedule, unless expressly excluded or modified in the Service Order.

##### 2. Service Description

- 2.1 Web Conferencing Services enable two or more Participants to share and present graphical information via a secure Internet connection and computer.

##### 3. Service Availability

- 3.1 TELUS will ensure a Universal Resource Locator (URL) is available to enable the Named Users and Participants to access Web Conferencing Services. TELUS will not impose any limit, impediment or barrier of access to such URL or Web conferencing features related to the use of the Web Conferencing Service, regardless of the physical location of the Named Users or Participants.

##### 4. Service Standards

- 4.1 TELUS will not limit, impede or impose restrictions related to the choice of browsers.
- 4.2 TELUS will provide Web Conferencing Services that ensure all communication channels used by such Web Conferencing Services will be encrypted with a minimum encryption level of AES 128-bit for symmetric key encryption and 1024-bit RSA for public key encryption.
- 4.3 TELUS will not limit, impede or impose restrictions which impact the functionality associated with the Web Conferencing Services, including the following:
- 4.3.1 establishment of SSL encryption; and
- 4.3.2 utilization with the Audio Conferencing services.

For greater certainty this section 4.3 does not obligate TELUS to facilitate the functionality described in sections 4.3.1 through 4.3.2 or to integrate the Web Conferencing Services to achieve the functionality referred to in section 4.3.1 through 4.3.2.

## 5. Service Features

- 5.1 TELUS will ensure the following features are available to the Province with respect to all Web Conferencing Services:
  - 5.1.1 As part of, and for the purposes of receiving, accessing and using, the Web Conferencing Services, and subject to the terms set out in section 8 of this Schedule, TELUS will license to the Province the Microsoft Office Live Meeting. Minimum system requirements will apply to the use of the Microsoft Office Live Meeting.
  - 5.1.2 TELUS will provide the following access related features for all Web Conferencing Services:
    - 5.1.2.1 TELUS will allow for rescheduling or cancellation of pre-booked reserved Conferences at no additional fee.
    - 5.1.2.2 TELUS will provide a two-week trial account, at no additional fee, for designated points of contact to review Web Conferencing Services before the Province commits to a subscription.
    - 5.1.2.3 TELUS will not impose any limitation on the duration of Web Conferences.
  - 5.1.3 TELUS will provide the following reservation features for all Web Conferencing Services:
    - 5.1.3.1 All Web Conferencing Services being moderated by a particular Named User will be associated to that Subscriber through a unique identifier, such as a unique Service Account Number.
    - 5.1.3.2 The Province, through a single point of contact, will be responsible for providing TELUS with a list of valid and authorized Named Users.
    - 5.1.3.3 Upon the Province notifying TELUS of any Subscribers that it wishes to designate as Named Users, TELUS will take such actions as necessary to designate those Subscribers as Named Users and to treat those Subscribers as Named Users for the purposes of pricing and invoicing Web Conferencing Services under this Letter Agreement.
    - 5.1.3.4 Upon the Province notifying TELUS of any Subscribers in respect of which it wishes to retract its designation as Named Users, TELUS will take such actions as necessary to deactivate the account associated with the Named Users and to no longer treat those Subscribers as Named Users for the purposes of pricing and invoicing Web Conferencing Services under this Letter Agreement.



- 5.1.3.5 TELUS will provide each Subscriber with a unique Service Account Number and Named User login information.
- 5.1.3.6 Named Users may share login information and associated hyperlinks with Participants to allow Participants to access a Web Conference.
- 5.1.3.7 Only Subscribers may order Web Conferencing Services from TELUS.
- 5.1.4 Web Conferencing Services will include the following features, as provided by third parties, for each Named User:
  - 5.1.4.1 a URL and login information;
  - 5.1.4.2 online chat ability;
  - 5.1.4.3 white boarding ability to project information;
  - 5.1.4.4 delivery of online presentations;
  - 5.1.4.5 voice over IP (VOIP) via hardware devices such as computers, iPads, etc.;
  - 5.1.4.6 remote desktop access; and
  - 5.1.4.7 sharing and real-time collaboration of desktop applications.

**6. Service Support Features**

- 6.1 TELUS will ensure that the following service support features are available to the Province with respect to all Web Conferencing Services:
  - 6.1.1 TELUS will provide the following operator support features for all Web Conferencing Services:
    - 6.1.1.1 TELUS will assist Participants, on a 24 hours per day, 7 days per week basis through a toll-free number provided by TELUS or by dialing \*0 during a Web conferencing call which includes Audio Conferencing, with regards to difficulties Participants may encounter with the use of Web Conferencing Services, including general difficulties that do not specifically relate to a particular Conference.
    - 6.1.1.2 The Web Conferencing Services will include Web Conference bilingual operator support 24 hours per day, seven days per week by pressing a DTMF function through Audio Conferencing functionality.

7. **Included Features**

7.1 Included Features. TELUS will make each of the included features with respect to the Web Conferencing Services set out in the table below available to the Province at no additional cost. Where a feature has been selected by the Province in a Service Order, TELUS will provide such feature as part of the Web Conferencing Services ordered without any additional fee in respect of such feature being payable.

No.	Optional Feature Title	Description	Special Terms and Conditions
H2-Op22	24x7x365 Live Agent Support	Teleconference representatives are available 24 hours a day, 7 days a week.	None
H2-Op25	Set Up	Pre-Conference set up.	None

Any special terms and conditions with respect to a feature set out in the table above will apply with respect to such feature.

8. **Additional Terms Regarding Use of Web Conferencing Services**

8.1 The Province will be responsible for the content of all visual, written or audible communications used in connection with the Province's Service Account Numbers during Web Conferencing Services.

8.2 Terms related to Microsoft Office Live Meeting

8.2.1 The Province will

8.2.1.1 obtain a license for Microsoft Office Live Meeting for each Named User, and will not permit any such license to be shared between Named Users;

8.2.1.2 comply, and ensure their Named Users comply, with the Microsoft Terms of Service applicable to the licensing of the Microsoft Office Live Meeting, set out in Schedule "C" to this Letter Agreement (the "**Microsoft Terms of Service**");

8.2.1.3 reasonably monitor the use for Microsoft Office Live Meeting to educate Named Users as to their responsibilities and obligations to ensure compliance with the Microsoft Terms of Service and other obligations set out in this section 8;

8.2.1.4 cooperate in good faith with Microsoft Corporation ("**Microsoft**") and TELUS in investigating and remedying instances of non-compliance with the Microsoft Terms of Service;

- 8.2.1.5 promptly notify TELUS of any unauthorized use of the Microsoft Office Live Meeting; and
  - 8.2.1.6 use, and ensure their Named Users use the Microsoft Office Live Meeting according to Applicable Laws.
- 8.2.2 The Province will not, and will not permit any Named User to:
- 8.2.2.1 remove, modify or obscure any copyright, trademark or other proprietary rights notices that appear on the Microsoft Office Live Meeting or that appear during use of the Microsoft Office Live Meeting session or the Web Conferencing Services;
  - 8.2.2.2 reverse engineer, decompile, or disassemble the Microsoft Office Live Meeting, except and only to the extent that such activity is expressly permitted by Applicable Law notwithstanding this limitation;
  - 8.2.2.3 duplicate, reproduce or copy any part of the Microsoft Office Live Meeting or merge the Microsoft Office Live Meeting with other products or services, or frame the Microsoft Office Live Meeting within another user interface or application;
  - 8.2.2.4 export, re-export, transfer, or make available, whether directly or indirectly, any regulated item or information to anyone outside the U.S. or Canada, as applicable depending on where the Named User is located, in connection with the Microsoft Office Live Meeting, without first complying with all export control laws and regulations which may be imposed by the U.S. government and/or Canadian government;
  - 8.2.2.5 resell, distribute (other than using the Microsoft Office Live Meeting for Conferences in which Named Users are active participants, and as permitted under the Microsoft Terms of Service) or make any commercial use of the Microsoft Office Live Meeting, use the Microsoft Office Live Meeting on a timeshare or service bureau basis, use the Microsoft Office Live Meeting to operate a website, or otherwise generate income from the Microsoft Office Live Meeting.
- 8.2.3 Without prejudice to any other rights, TELUS reserves the right to take immediate action to suspend any of the Microsoft Office Live Meeting subscriptions if TELUS determines that any of the following is occurring or is likely to occur: a violation of the Microsoft Terms of Service, illegal or illicit activities, or activities that are materially damaging to TELUS or Microsoft or substantially offensive to TELUS, Microsoft or their customers. TELUS may terminate the Named Users' or the Province's rights to use Microsoft Office Live Meeting if the Named Users or the Province fail to comply with the terms and conditions set out in this Attachment. In the event of termination or cancellation, the terminated

Named Users or the Province and all its Named Users must stop using and/or accessing Microsoft Office Live Meeting.

- 8.2.4 An affiliate of Microsoft is supplying TELUS with the Microsoft Office Live Meeting, and as such Microsoft and its affiliates are intended third party beneficiaries of this Letter Agreement, with a right of enforcement. All support for Microsoft Office Live Meeting is provided by TELUS and is not provided by Microsoft or its affiliates or subsidiaries, unless otherwise stated in this Letter Agreement.
- 8.2.5 Without limiting any other provision in this Letter Agreement, all warranties by Microsoft and any liability by Microsoft for damages, whether direct, indirect, or consequential, arising from the use of Microsoft Office Live Meeting, are disclaimed. All rights not granted under this Agreement are expressly reserved to TELUS.
- 8.2.6 Microsoft Office Live Meeting Subscriptions
  - 8.2.6.1 There are three types of license subscriptions for Microsoft Office Live Meeting: Basic, Standard and Professional. The Fees for each subscription are set out in section 9 to this Schedule.
  - 8.2.6.2 A 'Basic' subscription is required for the Province to participate in a Microsoft Office Live Meeting session if the Province does not have either a 'Professional' subscription or a 'Standard' subscription.
  - 8.2.6.3 A 'Standard' subscription is required by a Named User to host Microsoft Office Live Meeting sessions. 'Standard' subscriptions allow a Named User to have a maximum of 250 Participants at any Microsoft Office Live Meeting session. Named Users can also attend any number of Microsoft Office Live Meeting sessions and do not require an additional 'Basic' subscription.
  - 8.2.6.4 A 'Professional' subscription is required by a Named User to host Microsoft Office Live Meeting sessions. 'Professional' subscriptions allow a Named User to have a maximum of 1250 Participants at any Microsoft Office Live Meeting session. Named Users can also attend any number of Microsoft Office Live Meeting sessions and do not require an additional 'Basic' subscription.
- 8.2.7 Adjustment of Purchased Microsoft Office Live Meeting Subscriptions for the Province only
  - 8.2.7.1 During the term of the Web Conferencing Services, the Province will purchase Microsoft Office Live Meeting subscriptions on a yearly basis and such subscriptions will represent the following ratio:

- 8.2.7.1.1 Up to 90% of the total subscriptions on a yearly basis will be 'Basic' subscriptions; and
    - 8.2.7.1.2 A minimum of 5% of the total subscriptions will be 'Professional' subscriptions.
  - 8.2.7.2 For the first year of the Letter Agreement regarding Web Conferencing Services, TELUS and the Province agree that the total amount of subscriptions for 'Basic', 'Standard' and 'Professional' will be 8000 subscriptions. The Province will purchase 7,200 'Basic' subscriptions, 400 'Standard' subscriptions and 400 'Professional' subscriptions.
  - 8.2.7.3 For any subsequent year of the Letter Agreement where Web Conferencing Services will be offered by TELUS and on the anniversary date of the purchase of Microsoft Office Live Meeting subscriptions, the following will occur:
    - 8.2.7.3.1 TELUS will notify the Province of the amount of 'Standard' and 'Professional' subscriptions the Province used during the previous year of the Agreement; and
    - 8.2.7.3.2 the Province will notify TELUS of the amount of any decrease or increase of subscriptions the Province may use regarding the 'Standard' and 'Professional' subscriptions for the upcoming year, provided any such increase or decrease is aligned with the ratios described section 8.2.7.1 above.
- 8.3 Notwithstanding the Microsoft Terms of Service and section 8.2.2.5, TELUS grants to the Province, for a period of three (3) years starting July 1, 2011 regarding Web Conferencing Services, a non-exclusive, non-transferrable, revocable right to resell Microsoft Office Live Meeting to the BPS Entities provided the Province obtains a signed agreement with each BPS Entity requiring the BPS Entity and their Named Users to comply with all of the obligations set out in sections 8.2.1 through 8.2.5 inclusive of this Attachment.

### **Web Conferencing Services Pricing and Ordering**

Section 9 sets out the pricing for Web Conferencing Services. Section 10 sets out the process for ordering Web Conferencing Services. Section 11 describes the training available to the Province for the Web Conferencing Services.

9. **Web Conferencing Services Rates for Microsoft Live Meeting**

9.1 Cost of Subscriptions

The Fees for Microsoft Live Meeting based on the subscription type are:

- 'Basic' Subscription: \$9.50 per subscription per year
- 'Standard' Subscription: \$69.43 per subscription per year
- 'Professional' Subscription: \$234.96 per subscription per year

9.2 Volume Discounts

The annual Fee per subscription will be subject to the following volume discount based on the number of subscriptions purchased during that year:

- From 0-1000 subscriptions, TELUS will not provide any discount.
- Between 1001-2500 subscriptions, TELUS will provide a 2% discount on the annual Fee for total subscriptions a GPS Entity will pay.
- Between 2501-5000 subscriptions, TELUS will provide a 3% discount on the annual Fee for total subscriptions a GPS Entity will pay.
- For more than 5000 subscriptions, TELUS will provide a 5% discount on the annual Fee for total subscriptions a GPS Entity will pay.

9.3 Fees

The Year 1 Fees are \$180,648.20, which have been calculated as follows:

\$9.50 X 7200 =	\$68,400
\$69.43 X 400 =	\$27,772
\$234.96 X 400 =	\$93,984
Sub –total	\$190,156.00
(less 5% discount)	\$9,507.80
Total	<u>\$180,648.20</u>

10. **Web Conferencing Services Process**

TELUS will comply with the requirements set out in this section with respect to any Service Order regarding Web Conferencing Services:

- 10.1 A Service Order for Web Conferencing Services may be made by the Province by e-mail, telephone or any other Service Order process mutually agreed to in writing between the Province and TELUS.

- 10.2 Upon the Province ordering Web Conferencing Services for a Named User pursuant to a Service Order, TELUS will provide the Province with a Web Conferencing Services account for such Named User. Where requested by the Province, the Web Conferencing Services account will be appended to the unique ID generated in connection with any Audio Conferencing Services (i.e. the Service Account Number) provided by TELUS to such Named User and will create a linkage between the two accounts and the Named User who holds the accounts.
- 10.3 TELUS will provide the Province with the ability to confirm placement of Service Orders for Web Conferencing Services by telephone or such other method as mutually agreed to by the Province and TELUS.

## 11. **Web Conferencing Services Training**

- 11.1 TELUS will provide information to the Province on “no cost” training options, as provided by Microsoft for the Microsoft Office Live Meeting service.
- 11.2 As of June 13, 2011, the URL for Microsoft training was <http://office.microsoft.com/en-us/live-meeting-help/live-meeting-training-FX010241453.aspx>.
- 11.3 Based on the information found at the URL referenced in subsection 11.2, the Microsoft Office Live Meeting user can choose from four training options:
  - 11.3.1 Live instructor led training: This feature allows the user to register for free instructor led training programs.
  - 11.3.2 Video showcases: This feature allows the user to initiate free video tutorials covering many of the features of the Web Conferencing Service; textual materials covering the video material are also available.
  - 11.3.3 Quick start tutorials: A 30 minute video that covers the basic use of the Web Conferencing Service.
  - 11.3.4 Tours and tutorials: Videos covering some enhanced concepts of the Web Conferencing Service.
- 11.4 The Province acknowledges that the training programs referenced in this section 11 are provided solely by Microsoft, including the nature and extent to which the Web Conferencing Services training is provided, and such training programs are not the responsibility of TELUS.
- 11.5 TELUS will not limit, impede or impose restrictions related to access to training materials provided by Microsoft.

## Schedule "C"

### TERMS OF SERVICE For Microsoft Office Live Meeting Service and Software

This Agreement is between Microsoft Corporation or, if applicable based on your location, one of its affiliates ("Microsoft," "we," "us") and you (the "Customer," "you").

You agree to be bound by these Terms of Service (the "Agreement") by installing, copying, or otherwise using the Software, or accessing or using the Services. Please read the Agreement carefully before installing, accessing, or otherwise using the Software or Services. Please maintain a copy for your records.

**1. Definitions.** All capitalized terms defined in this Agreement have the meanings set forth herein.

"**affiliates**" means any legal entity that we own, which owns us, or which is under common ownership with us. "**Ownership**" means, for the purposes of this definition, more than 50% ownership.

"**Affiliated Entities**" means Microsoft and any licensors and suppliers providing any part of the Software and/or Services; and all subsidiaries, affiliates, officers, employees, consultants, and agents of any of the foregoing.

"**Approved Territory**" means the countries designated by us as approved for sale, marketing and use of the Services with VoIP functionality. Please see <http://www.microsoft.com/online/faq.msp#international> for those countries in which the Services are available with VoIP functionality.

"**Content**" means all data, text, images, sounds, computer programs, and any other information, including without limitation everything that is uploaded by or for you in connection with your use of the Services including without limitation photographs, caricatures, illustrations, designs, icons, articles, audio clips, trademarks, logos, and video clips.

"**Customer**" means the individual or legal entity purchasing or opening an account for Microsoft Office Live Meeting services under this Agreement.

"**Services**" means the Microsoft Office Live Meeting services acquired by a Customer as described in the applicable order for such services accepted by Microsoft and placed with Microsoft directly or via an authorized reseller.

"**Site**" means [www.livemeeting.com](http://www.livemeeting.com) or any successor or parallel web site.

"**Software**" means the software and all associated documentation and other materials provided to you by Microsoft for accessing the Services.

"**Term**" means the duration of this Agreement commencing with the earliest of the date: (i) that Microsoft accepts your order for Services, or (ii) that you first access or use the Services, or (iii) that you install the Software, and continuing until the end of the applicable Services period as designated by Microsoft, subject to earlier termination in accordance with this Agreement.

"**User**" means the individual accessing or using the Microsoft Office Live Meeting services or installing the Software.

**2. Software License.** Subject to your compliance with the terms and conditions of this Agreement, Microsoft hereby grants you a worldwide, non-exclusive license during the Term: (i) to install the Software (in object code and executable code format only), and (ii) to use such Software (as installed) solely for the purpose of accessing and using the Services.

**3. Access to Services; Suspension and Termination.**

Subject to your compliance with the terms and conditions of this Agreement, Microsoft grants to you a non-exclusive, revocable right to access and use the Services during the Term. Microsoft reserves the right to temporarily suspend or discontinue without notice a Live Meeting session at any time should such action be required to avoid an imminent threat of material harm to Microsoft or anyone else. Either party may suspend performance and/or terminate this Agreement immediately upon written notice at any time if the other party is in material breach of any warranty, term, condition, or covenant of this Agreement and such party fails to cure that breach within thirty (30) days after written notice thereof.



Upon any cancellation or expiration of this Agreement, your access and other rights to the Services will be cancelled and cease. You are prohibited from reselling or acting as a service bureau for the Services or any component thereof.

**4. Ownership of Software, Services, and Marks.** The Software and Services are licensed, not sold, solely for use under the terms of this Agreement. Except as specifically set forth herein, Microsoft and the other Affiliated Entities retain all right, title, and interest, including all intellectual property rights, relating to or embodied in the Software and Services, including without limitation all technology, software, and copies relating to the Software and Services. All graphics, logos, service marks, and trade names, including third-party names, product names, and brand names (collectively, the “**Marks**”) relating to the Software and Services are the trademarks of Microsoft or the other Affiliated Entities. You are prohibited from using any Marks without the prior written permission of Microsoft or the applicable Affiliated Entities. Microsoft reserves all rights not expressly granted in this Agreement.

**5. Restrictions.** You agree not to reverse engineer, decompile, disassemble, translate, or attempt to learn the source code of the Software or Services. Unless expressly set forth herein, you may not use, copy, modify, create derivative works of, distribute, sell, assign, pledge, sublicense, lease, loan, rent, timeshare, deliver, or otherwise transfer, directly or indirectly, the Software (in whole or in part) or any rights in the Services. You may not remove from the Software or Services, or alter or add, any Marks or copyright notices or other proprietary rights markings. If you are provided with a version of the Service that has had its VoIP functionality disabled or partially disabled, you agree not to enable or otherwise try to use any disabled VoIP functionality. If you are provided with a version of the Service that has had its VoIP functionality enabled, you agree not to use or permit others to use such version in any country that is outside of the Approved Territory.

**6. Scheduled Downtime; No Training or Technical Support.** The regularly scheduled maintenance hours for the Site are dependent on data center location. The current scheduled maintenance hours are 10:00 a.m. – 4:00 p.m. (PST) every Friday for Asia, and 6:00 p.m. Friday to 12:00 a.m. Saturday (PST) for all other data center locations. During that time the Services are not available for use.

**7. Electronic Communications.** The Services and Software are conducted and provided electronically and you agree that Microsoft may communicate with you for matters relating to the Services and Software, including educational information and notifications regarding product updates and ways to more efficiently use the Service.

**8. Updates; Applicable Terms and Authorization for Auto Updates.** Microsoft may, in its sole discretion, provide, and this Agreement applies to, all updates, supplements, add-on components, features, or other functionality, including without limitation increases, decreases, and alterations of functionality, features, storage, security, availability, content, and other information relating to the Software or Services (collectively, “**Updates**”) that Microsoft may provide or make available generally to its customers after the date that Services commence, subject to any additional terms and conditions provided by Microsoft applicable to such Updates. You hereby authorize Microsoft to, and agree that Microsoft may, automatically and in good faith transmit, access, install, and otherwise provide Updates to the computer or other device that utilizes the Software or accesses the Services (“**Device**”) without further notice or need for consent. You also agree that Microsoft may obtain information from the Device reasonably necessary to provide the Services. Microsoft has no obligation to, and nothing in this Agreement may be construed to require Microsoft to, create, provide, or install Updates.

**9. Privacy Statement.** The Microsoft Office Live Meeting Privacy Statement can be accessed at the Site via ([http://r.office.microsoft.com/r/rlidLiveMeeting?p1=12&p2=en\\_us&p3=HA102338881033](http://r.office.microsoft.com/r/rlidLiveMeeting?p1=12&p2=en_us&p3=HA102338881033)) (“**Privacy Statement**”). You hereby acknowledge that you have accessed and read the Privacy Statement and that it is a part of this Agreement. Personal information collected on the Site by Microsoft in connection with this Agreement may be stored and processed in the United States or any other country in which Microsoft or its affiliates, subsidiaries, or agents maintain facilities, and you consent to any such transfer of information outside of your country. You consent for Microsoft to receive, share, and transfer personal information arising from your use of the Software and/or Services with telecommunications carriers or other providers used in conjunction with the Software and/or Services. Microsoft abides by the safe harbor framework as set forth by the U.S. Department of Commerce regarding the collection, use, and retention of data from the European Union.

**10. NOTICE REGARDING RECORDING AND PRIVACY FEATURES.** THE SOFTWARE AND/OR SERVICES MAY ALLOW YOU TO RECORD MEETINGS AND TO COLLECT AND UTILIZE IDENTIFYING INFORMATION ABOUT SERVICE PARTICIPANTS, including but not limited to, a name that is displayed, transmitted, processed, or stored as part of a meeting or meeting record. THE LAWS OF SOME JURISDICTIONS REQUIRE NOTICE TO OR THE CONSENT OF INDIVIDUALS PRIOR TO INTERCEPTING, MONITORING AND/OR RECORDING THEIR COMMUNICATIONS AND/OR RESTRICT COLLECTION, STORAGE, AND USE OF PERSONALLY IDENTIFYING INFORMATION. You agree to comply with all applicable laws and to obtain all necessary consents and make all necessary disclosures before using the Software and/or Services and/or features such as the recording feature.

**11. You Retain Ownership of Content.** Microsoft does not claim ownership of any Content. You hereby grant to Microsoft a nonexclusive, worldwide, royalty-free, fully-paid, transferable license to host, cache, record, copy, and display Content solely for the purpose of providing the Services. Except as licensed in this Agreement, as between you and Microsoft, you retain all right, title, and interest in and to the Content.

**12. Limited Purpose Access to Content.** You acknowledge that the Services are provided by automated means (e.g., uploading Content via the applicable software tools) and that Microsoft personnel will not access, view, or listen to any Content, except as permitted under the Privacy Statement or as otherwise necessary to perform the Services, including but not limited to the following: (i) if during a Services interruption as necessary to restore the applicable Content at your request; (ii) if you have requested that Microsoft serve as host, producer, moderator, or facilitator for any meeting, presentation, or event as part of the Services; or (iii) as deemed necessary or advisable by Microsoft in good faith to conform to legal requirements or comply with legal process. If you are authorized to access or use any recordings or Content, you agree that you will only download, use, and/or display copies of any recordings (e.g., of Content) made during use of the Services for internal business purposes. You are not authorized to download or use such recordings or Content for the benefit of any third party or to sell access to or otherwise commercialize any such recording.

**13. Representations and Warranties About Content.** You represent, warrant and covenant that you: (i) are the owner or authorized user of any and all Content and have the right to grant the license set forth in Section 12; and (ii) will not publish, post, upload, record, or otherwise distribute or transmit Content that: (a) infringes or would infringe any copyright, patent, trademark, trade secret, or other proprietary right of any party, or any rights of publicity or privacy of any party; (b) violates any law, statute, ordinance, or regulation (including without limitation the laws and regulations governing export control, unfair competition, anti-discrimination, or false advertising); (c) is inappropriate, profane, defamatory, libelous, obscene, indecent, threatening, harassing, or otherwise unlawful; (d) is harmful to minors or otherwise pornographic; (e) contains any viruses, Trojan horses, worms, time bombs, cancelbots, corrupted files, or any other similar software, data, or programs that may damage, detrimentally interfere with, surreptitiously intercept, or expropriate any system, data, personal information, or property of another; (f) is materially false, misleading, or inaccurate; (g) contains information for which you do not have the right to permit Microsoft to collect and process as set forth in the Privacy Statement.

**14. Submissions.** You may submit questions or comments to Microsoft from time to time at e.g., [http://main.livemeeting.com/about\\_us/contact\\_us.cfm](http://main.livemeeting.com/about_us/contact_us.cfm). Microsoft reserves the right to edit and post such questions or comments along with answers, if any. All such communications, comments, feedback, suggestions, ideas, and other submissions related to the Software and/or Services submitted to Microsoft (collectively, "**Submissions**") will be and remain Microsoft's property, and all worldwide right, title, and interest in all copyrights and other intellectual property in all Submissions are hereby assigned (and in the future deemed to be assigned) by you to Microsoft.

**15. Confidentiality.** Both parties agree to hold in strictest confidence and not to use or disclose to any third party, any information designated by the other party as confidential or proprietary or which by the nature of such information would reasonably be considered confidential or proprietary, including without limitation passwords or access keys to the Services. You agree that all use of your passwords and access keys to the Services will be attributed to you, even if you did not actually authorize the use, including uses that incur additional fees. Each of us will immediately notify the other upon discovery of any unauthorized use or disclosure of confidential information and will cooperate in any reasonable way to help the other regain possession of the confidential information and prevent further unauthorized use or disclosure.

**16. Links to Third Party Sites.** Links within the Site may let you leave the Site and visit web sites that are not controlled by Microsoft. Neither Microsoft nor any of the other Affiliated Entities is responsible for any content of any such linked web site. Links are provided only as a convenience and do not imply any endorsement by Microsoft or any of the Affiliated Entities.

**17. Compliance with Applicable Law.** You agree (i) not to use the Software or Services for any illegal purposes and (ii) to comply with all applicable local, state, national, and international laws and regulations, including without limitation laws relating to intercepting, monitoring and/or recording communications, privacy, and data protection and public displays or performances, and United States export laws and regulations regarding the transmission of technical data exported from the United States through the Software and/or the Services. You further agree that neither this Agreement nor any other right or remedy of Microsoft requires Microsoft or any of the Affiliated Entities to exercise any right or remedy in order to benefit or protect anyone, although Microsoft reserves the right to do so in its sole discretion.

**18. Use Restrictions.** You agree not to:

(i) use the Services in connection with chain letters, junk mail, surveys, contests, pyramid schemes, spamming or any duplicative or unsolicited messages, or any use of distribution lists to any person who has not given specific permission to be included in such a process (commercial or otherwise);

(ii) harvest or otherwise collect information about others, including e-mail addresses, without their express consent;

(iii) use, download, or otherwise copy, or provide (whether or not for a fee) to a person or entity any directory of Microsoft's users or other user or usage information or any portion thereof other than in the context of use of the Services as permitted under the Agreement;

(iv) interfere with any other party's use and enjoyment of the Services or otherwise use the Services in any manner that could damage, disable, overburden, impair, or otherwise interfere with or disrupt the Site or Services or any networks connected to the Services;

(v) attempt to gain unauthorized access to the Services, other accounts, computer systems, or networks connected to the Services, through password mining or any other means;

(vi) rent, lease, grant a security interest in, or otherwise transfer any rights to use the Services under this Agreement;

(vii) reverse-engineer, modify, decompile, disassemble, translate, or otherwise attempt to derive or view source code from any part of the Software or the Services;

(viii) defraud, defame, abuse, harass, stalk, threaten, or otherwise violate the legal rights (such as rights of privacy and publicity) of others;

(ix) upload, or otherwise make available, files that contain images, photographs, software, or other material protected by intellectual property laws, including, by way of example, and not as limitation, copyright or trademark laws (or by rights of privacy or publicity) unless you own or control the rights thereto or have received all necessary consent to do the same;

(x) upload files that contain viruses, Trojan horses, worms, time bombs, cancelbots, corrupted files, or any other similar information that may damage the operation of another's computer or property or information; and

(xi) falsify or delete any copyright management information, such as author attributions, legal or other proper notices or proprietary designations, or labels of the origin or source of software or other material contained in a file that is uploaded.

(xii) use the Services in any country where there is any current or future formal, informal, or advisory rule, regulation, ruling, order, statute, opinion, notice, or policy of a judicial, legislative, or administrative body that causes Microsoft to be regulated as a telecommunications provider, that subjects Microsoft to any regulation or requirement not generally applicable to businesses operating in such country, and/or that causes Microsoft to believe this Agreement or the Services may be in conflict with any such rule, regulation, ruling, order, statute, opinion, notice, or policy. If you use the Services in any such country(ies), Microsoft may immediately terminate or modify the Services in such country(ies).

## **19. Indemnity.**

**(a) Microsoft's Defense of Claims.** Microsoft will defend you against any claims made by an unaffiliated third party that the Services or Software infringes its patent, copyright or trademark or misappropriates its trade secret, and will pay the amount of any resulting adverse final judgment (or settlement to which Microsoft consents)..

You must notify Microsoft promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide Microsoft with reasonable assistance in defending the claim, and Microsoft will reimburse you for reasonable out of pocket expenses that you incur in providing that assistance. The terms "misappropriation" and "trade secret" are used as defined in the Uniform Trade Secrets Act, except in the case of claims arising under any license or service agreement governed by the laws of any jurisdiction outside the United States, in which "misappropriation" will mean intentionally unlawful use and "trade secret" will mean "undisclosed information" as specified in Article 39.2 of the TRIPs agreement.

Microsoft's obligations will not apply to the extent that the claim or adverse final judgment is based on (i) specifications you provide to Microsoft for the Services or Software; (ii) code or materials provided by you as part of Services or Software; (iii) your running of the Services or Software after Microsoft notifies you to discontinue running due to such a claim; (iv) your combining the Services or Software with a non-Microsoft product, data or business process; (v) damages attributable to the value of the use of a non-Microsoft product, data or business process; (vi) your altering the Services or Software; (vii) your distribution of the Services or Software to, or its use for the benefit of, any third party; (viii) your use of Microsoft's trademark(s) without express written consent to do so; or (ix) for any trade secret claim, your acquiring a trade secret (a) through improper means; (b) under circumstances giving rise to a duty to maintain its secrecy or limit its use; or (c) from a person (other than Microsoft or Microsoft's affiliates) who owed to the party asserting the claim a duty to maintain the secrecy or limit the use of the trade secret. You will reimburse Microsoft for any costs or damages that result from these actions.

If Microsoft receives information concerning an infringement claim related to the Services or Software, Microsoft may, at Microsoft's expense and without obligation to do so, either (i) procure for you the right to continue to run the allegedly infringing Services or Software, or (ii) modify the Services or Software or replace it with a functional equivalent, to make it non-infringing, in which case you will stop running the allegedly infringing Services or Software immediately. If, as a result of an infringement claim, your use of Services or Software is enjoined by a court of competent jurisdiction,

Microsoft will, at Microsoft's option, either procure the right to continue its use, replace it with a functional equivalent, modify it to make it non-infringing, or refund the amount paid and terminate the license for and, as applicable to certain Services or Software, your ownership rights in, the infringing Services or Software.

If any other type of third party claim is brought against you regarding Microsoft's intellectual property, you must notify Microsoft promptly in writing. Microsoft may, at Microsoft's option, choose to treat these claims as being covered by this section. This section provides your exclusive remedy for third party infringement and trade secret misappropriation claims.

**(b) Customer.** You agree to defend, indemnify, and hold harmless each of the Affiliated Entities from and against any and all claims and liabilities (including, but not limited to, fees, costs and other expenses of attorneys and expert witnesses) made by any third party related to or arising from: (i) your use of the Software or Services (including without limitation, any person accessing the Services using your password or access key or by your invitation), (ii) any actual or alleged violation of this Agreement or applicable law, or (iii) any actual or alleged infringement or violation (by you or any person accessing the Services using your password or access key or by your invitation) of any intellectual property or privacy or other right of any person or entity.

**20. DISCLAIMER OF WARRANTIES.** ALL SOFTWARE AND SERVICES ARE PROVIDED "AS IS" AND "WITH ALL FAULTS" AND WITHOUT ANY WARRANTY.

EACH OF THE AFFILIATED ENTITIES HEREBY DISCLAIMS ALL WARRANTIES, CONDITIONS, AND DUTIES OF ANY KIND (IF ANY), EXPRESS, IMPLIED, OR STATUTORY, INCLUDING WITHOUT LIMITATION, ANY OF MERCHANTABILITY, OF FITNESS FOR ANY PARTICULAR PURPOSE, OF ACCURACY, OF SYSTEM INTEGRATION OR COMPATIBILITY, OF WORKMANLIKE EFFORT, OR OF NON-NEGLIGENT PERFORMANCE. THE FOREGOING DISCLAIMERS INCLUDE, WITHOUT LIMITATION, ANY WARRANTY, DUTY, OR CONDITION THAT: THE SOFTWARE OR SERVICES WILL BE UNINTERRUPTED, RELIABLE, AVAILABLE AT ANY PARTICULAR TIME, SECURE, ERROR-FREE, VIRUS-FREE, OR CORRESPOND TO ANY CONDITION; THAT MESSAGES OR REQUESTS WILL BE DELIVERED; THAT DEFECTS WILL BE CORRECTED; OR THAT THE SOFTWARE OR SERVICES, ANY CONTENT, SYSTEMS, SERVERS, AND INFORMATION THAT IS IN OR UTILIZED BY THE SOFTWARE AND/OR SERVICES WILL BE FREE OF HARMFUL ASPECTS. ALSO, THERE IS NO WARRANTY OF TITLE OR AGAINST INTERFERENCE WITH ANYONE'S ENJOYMENT OF THE SOFTWARE OR SERVICES OR AGAINST INFRINGEMENT.

**21. NO LIABILITY FOR CONTENT.** YOU AGREE THAT NONE OF THE AFFILIATED ENTITIES (as defined above) WILL BE LIABLE FOR: ANY CONTENT, INCLUDING BUT NOT LIMITED TO CONTENT THAT IS SENT, RECEIVED, HELD, RELEASED OR OTHERWISE CONNECTED IN ANY RESPECT TO THE SOFTWARE OR SERVICES; CONTENT THAT IS SENT BUT NOT RECEIVED; ANY ACCESS TO OR ALTERATION OF CONTENT; ANY CONTENT SENT USING AND/OR INCLUDED IN THE SERVICES, INCLUDING WITHOUT LIMITATION ANY THREATENING, DEFAMATORY, OBSCENE, OFFENSIVE, OR ILLEGAL CONTENT; THE CONDUCT OF ANYONE; OR ANY INFRINGEMENT OF ANOTHER'S RIGHTS, INCLUDING PRIVACY, INTELLECTUAL PROPERTY, OR DATA PROTECTION RIGHTS.

**22. EXCLUSION OF CERTAIN DAMAGES.** YOU AGREE THAT THE FOLLOWING DAMAGES ARE EXCLUDED AND THAT YOU WILL NOT BE ENTITLED TO ANY OF THEM: ALL SPECIAL, INCIDENTAL, PUNITIVE, AND CONSEQUENTIAL DAMAGES; DAMAGES FOR LOSS OF PROFITS OR CONFIDENTIAL OR OTHER INFORMATION, FOR BUSINESS INTERRUPTION, FOR PERSONAL INJURY, FOR LOSS OF PRIVACY, FOR FAILURE TO MEET ANY DUTY INCLUDING OF GOOD FAITH OR OF REASONABLE CARE, OR FOR NEGLIGENCE OR NEGLIGENT MISREPRESENTATION; AND FOR ANY OTHER PECUNIARY OR OTHER LOSS WHATSOEVER OTHER THAN THE "DIRECT DAMAGES" DESCRIBED IN SECTION 23 BELOW. THE FOREGOING DAMAGES WILL BE EXCLUDED EVEN IN THE EVENT OF THE FAULT, TORT (INCLUDING NEGLIGENCE), STRICT OR PRODUCT LIABILITY, AND/OR BREACH OF CONTRACT OF MICROSOFT OR ANY OF THE OTHER AFFILIATED ENTITIES, AND EVEN IF MICROSOFT OR ANY OF THE AFFILIATED ENTITIES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. YOU AGREE THAT THESE EXCLUSIONS AND THE BELOW LIMITATION ON LIABILITY WILL APPLY EVEN IF ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE.

**23. LIMITATION ON LIABILITY.** EXCEPT FOR DAMAGES THAT ARE REQUIRED BY LAW TO BE PAID, YOU AGREE THAT ALL DAMAGES ARE EXCLUDED EXCEPT FOR THE DIRECT DAMAGES THAT ARE ACTUALLY INCURRED BY YOU IN REASONABLE RELIANCE, UP TO THE GREATER OF THE AMOUNT OF A REFUND OF THE PRICE THAT YOU ACTUALLY PAID FOR THE SERVICES DURING THE TERM OF THE SERVICES (E.G., QUARTERLY OR MONTHLY) IMMEDIATELY PRECEDING THE FILING OF SUCH CLAIM REGARDLESS OF THE FORM OF ACTION OR CLAIM (E.G., CONTRACT, WARRANTY, TORT, STRICT LIABILITY, NEGLIGENCE, FRAUD, OR OTHER LEGAL THEORY) OR ONE DOLLAR (US\$1.00). THE DAMAGES LIMITATION AMOUNT SET FORTH IN THIS SECTION SHALL NOT APPLY TO SECTION 19 (INDEMNITY).

**24. Survivability.** Sections 1, 3 (to the extent of any limitations on your rights), and 4-30 will survive any cancellation, termination, expiration, or suspension of this Agreement.

**25. Governing Law; Exclusive Forum; Jurisdiction.** This Agreement and all causes of action related to the Software or Services entered into with any affiliate of ours located outside of Europe will be governed by and construed in accordance with the laws of the state of Washington, USA and the federal laws of the United States. This Agreement and all causes of action related to the Software or Services entered into with any affiliate of ours located in Europe will be governed by and construed in accordance with the laws of Ireland. Unless otherwise agreed in writing, the terms of any services agreement will be governed by the laws of the jurisdiction where our affiliate delivering the services is organized. The 1980 United Nations Convention on Contracts for the International Sale of Goods and its related instruments will not apply to this agreement or any license or service agreement entered into with any affiliate of ours under this agreement.

**26. Miscellaneous.** If any part of this Agreement is determined to be invalid or unenforceable, then such invalid or unenforceable provision will be deemed superseded by a valid, enforceable provision that most closely matches the intent of the original provision and the allocation of risks, and the remainder of the Agreement will continue in effect. If any provision(s) is found to be contrary to law, then such provision(s) will be construed, as nearly as possible, to reflect the intentions of the parties with the other provisions remaining in full force and effect. Microsoft's failure to exercise or enforce any right or provision of this Agreement will not constitute a waiver of such right or provision unless agreed to by Microsoft in a non-electronic writing manually signed by a duly authorized officer of Microsoft.

**27. Force Majeure.** The Affiliated Entities will not be liable for non-performance or delay in performance caused by any event reasonably beyond the control of such party including, but not limited to wars, hostilities, revolutions, riots, civil commotion, national emergency, epidemics, fire, flood, earthquake, force of nature, explosion, embargo, or any act of God.

**28. Third Party Beneficiaries; Assignment.** The Affiliated Entities are third party beneficiaries to this Agreement. However, there are no other third party beneficiaries. No party may assign this Agreement, or any rights or obligations hereunder, whether by contract, operation of law, or otherwise without the express written consent of the other party to the Agreement, except that Microsoft may assign this Agreement to one (1) or more of the Affiliated Entities without your prior consent.

**29. Export Restrictions.** You acknowledge that the laws and regulations of the United States restrict the export and re-export of commodities and technical data of United States origin, including the Software and Services. Without limiting the foregoing, you acknowledge that the Software and Services are or may be an "encryption item" subject to controls under the Export Administration Regulations promulgated by the U.S. Department of Commerce. You agree not to export or re-export the Software or Services in any form in violation of the export laws of the United States or any foreign jurisdiction. You will defend, indemnify, and hold the Affiliated Entities harmless from and against any violation of such laws or regulations.

**30. Entire Agreement; Changes to Agreement.**

(a) The Agreement (including the Privacy Statement and any related consents provided by or disclosures provided to you in connection with the Software or Services) constitutes the entire agreement between Microsoft and you with respect to the Software and Services and supersedes all other (prior or contemporaneous) communications and proposals, whether electronic, oral, or non-electronic, between Microsoft and you regarding them. You agree that any terms or conditions contained in any document, including but not limited to a purchase order, acknowledgement, email, or other document that you may now or later provide to Microsoft, will have no effect and that this Agreement is the only contract between Microsoft and you regarding the Software and Services and may only be amended as set forth herein. The application of the United Nations Convention on the International Sale of Goods is hereby expressly excluded. Microsoft's performance of this Agreement (including the Privacy Statement) is subject to existing laws and legal process, and you agree that Microsoft may comply with law enforcement or regulatory requests or requirements notwithstanding any contrary term of this Agreement or that statement. A printed version of this Agreement and of any notice given to you in electronic form will be admissible in judicial or administrative proceedings based upon or relating to this Agreement to the same extent and subject to the same conditions as other business documents and records originally generated and maintained in printed form.

(B) WE MAY REVISE THE TERMS AND CONDITIONS OF THIS AGREEMENT FROM TIME TO TIME (INCLUDING THE COUNTRIES WHERE WE MAKE AVAILABLE THE SERVICES AND ANY OF THE POLICIES WHICH MAY BE APPLICABLE TO CUSTOMERS' USAGE OF SUCH SERVICES). IF WE DO SO, ONE OF THE AFFILIATED ENTITIES OR AN AUTHORIZED RESELLER WILL PROVIDE NOTICE TO YOU OF SUCH REVISIONS. IN ADDITION TO ANY OTHER METHOD ALLOWED BY LAW, NOTICE OF REVISIONS SHALL BE DEEMED PROVIDED TO YOU

UPON AN AFFILIATED ENTITY, AN AUTHORIZED RESELLER, OR ANY OTHER PERSON OR ENTITY DESIGNATED BY MICROSOFT EMAILING OR MAILING, IN MICROSOFT'S DISCRETION, SUCH NOTICE TO YOU AT THE EMAIL ADDRESS OR POSTAL ADDRESS THAT YOU PROVIDED TO US, OR UPON PUBLICATION BY US. BY CONTINUING TO USE THE SERVICES AFTER THESE CHANGES ARE IN EFFECT, YOU ACCEPT AND AGREE TO THE REVISIONS AND TO ABIDE BY THEM. IF YOU DO NOT AGREE TO THE CHANGE(S), YOU MUST IMMEDIATELY NOTIFY US AND TERMINATE THE SERVICES.

**Rick Leggett**  
A Member of the TELUS team

July 29, 2011

Province of British Columbia and the GPS Entities  
Attention: Mr. Dave Nikolejsin  
Chief Information Officer  
Government of BC  
4000 Seymour Place  
Victoria, BC, V8X 4S8

Dear Mr. Nikolejsin:

**Re: Billing Optimization and Scheduled Emergency Maintenance Management and the Telecommunications Service Master Agreement between TELUS Communications Company (“TELUS”) and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Labour, Citizens’ Services and Open Government (the “Province”) and the other GPS Entities with an Effective Date of July 29, 2011 (the “Agreement”)**

TELUS would like to take the opportunity to outline its continued commitment to service and process optimization in its service delivery operations to the GPS Entities (as defined in the Agreement). In particular, based on customer feedback, TELUS has focused efforts on improving both billing and change and release management in the current Master Competitive Services Agreement between the parties, and this will carry-over to the Agreement.

**Billing Optimization:**

Through client feedback and quality management, key issues were identified involving TELUS billing of products and services that it delivers to the GPS Entities. A formal major (and very involved) Billing Optimization project was initiated by TELUS in 2007- 2008 that focused on the GPS Entities and included the following specific activities:

- Redesigning the GBC consolidated bill (involving over 50,000 services) to be more user efficient, enabling the GBC to reduce its internal handling time.
- CIO Extranet billing page was created for electronic billing repository for all 11 GPS Entities.
- Demonstration, implementation and ongoing support of TELUS electronic billing tools to facilitate bill reconciliation for all of the GPS Entities.
- Reorganization of consolidated bills.
- Billing name validations of hundreds of services.
- Implementation of a Direct Inward Dial (DID) contract for 85,000 lines, with details sent to inform each customer of alternative solutions, in order to be able to see billed data for Direct Inward Dial (DID).

- A review of TELUS internal procedures and creation of job aids for the TELUS customer service representatives to ensure that invoices are sent to correct address and pricing is accurately applied.

The resultant benefits for the GPS Entities included: direct cost reductions, increased ease of analysis and reconciliation (as well as placing of service requests), expedited bill delivery, and tighter financial controls.

Acting on feedback from the Province, TELUS also implemented a 'Billing Description Simplification' project that entailed an intense review of ~12,000 billing descriptions. The review resulted in changes to more than 7,000 billing descriptions, in an effort to provide a more 'customer-friendly' presentation.

These project activities and their benefits directly contributed to an extremely significant turnabout in the annual GPS End User Satisfaction Survey. The percentage of respondents who responded with "Very Good" or "Excellent" (the top two categories) to the question of "How would you rank TELUS in terms of billing?" moved steadily year over year from 7.7% in June 2005 to an outstanding 93.3% in June 2010.

Moving forward, TELUS remains committed to continuing its focus on quality of billing and client satisfaction. Through the course of recent contract negotiations, new requirements and further evolution of our billing service have been identified. It is TELUS' intention to leverage its adherence to formal quality management and continuous process improvement methodologies to further optimize its service delivery. Section 6.8 (Quality Management) of the Agreement, outlines TELUS' ongoing responsibilities related to this topic. As part those responsibilities, TELUS will consult with the Administrator (as defined in the Agreement) and examine additional opportunities to improve billing service, and based on such consultation and examination, will continue to improve billing service in a manner consistent with past practice.

Our dedicated team of billing professionals will continue to build on our sound working relationships with the GPS billing community and endeavor to provide a best-in-class billing experience.

We have a number of improvement projects currently underway to look at our end-to-end provisioning of services, including a technology roadmap to integrate our billing systems.

In our ongoing commitment to excellence, we are also currently supporting an initiative to review an online invoice management and reporting tool that will address the desire for a more streamlined invoice management process. Pending a positive outcome to this project, TELUS looks forward to implementing these improvements for the GPS Entities.

#### **Scheduled and Emergency Maintenance Management:**

Data network 'change and release' management is a key activity of TELUS operations and service management. Recognizing the critical role that TELUS' services play in our clients' own operations, TELUS has developed a comprehensive change management 'e.change' system and corresponding processes involving auto-generated notifications augmented with Client Service Manager communications, to notify designated client network management personnel of upcoming scheduled and emergency maintenance on TELUS' network that may potentially affect their service. The present level of detailed information provided and the notification process itself is a direct result of feedback from the GPS Entities themselves.

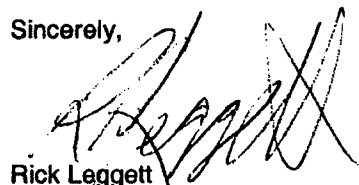
As part of continuous process improvement practices we continue to review our notification processes in an effort to ensure we are providing the appropriate amount of relevant information to our clients' key contacts responsible for network management, in a timely manner. As such, TELUS Client Service Management is committed to continue working with the network managers to continue their efforts to review relevant processes, and where warranted, improve the level of detail provided in these notifications; so that our clients have all the necessary and relevant information they require to properly assess the risk for their organizations.



As always, the GPS Entities' dedicated TELUS Client Service Managers are available to address questions or concerns that may arise from specific network change notifications. They are knowledgeable of the clients' data networks and business environments and are viewed as trusted advisors in matters of ensuring data service delivery, maintenance, and continuity.

We look forward to continuing to develop our strategic relationship with the Province and other GPS Entities over the next 10 years and beyond, and remain committed to the pursuit of service delivery excellence.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rick Leggett', written over a faint dotted line.

Rick Leggett  
Director, Client Service Management  
A Member of the TELUS Team



TELUS Corporation  
826 Yates Street  
Victoria, British Columbia  
Canada V8W 2H9  
www.telus.com

Tim Draper  
A Member of the TELUS team

July 29, 2011

Province of British Columbia and the GPS Entities  
Attention: Mr. Dave Nikolejsin  
Chief Information Officer  
Government of BC  
4000 Seymour Place  
Victoria, BC, V8X 4S8

Dear Mr. Nikolejsin:

**Re: Proposed Joint Leaders Forum and Telecommunications Service Master Agreement between TELUS Communications Company and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Labour, Citizens' Services and Open Government and the other GPS Entities with an Effective Date of July 29, 2011 (the "Agreement")**

TELUS is very pleased for the new chapter in the relationship between TELUS, the Province of British Columbia and the other GPS Entities (as defined in the Agreement). We believe that the Agreement and the related Strategic Relationship Agreement (SRA) holds great promise to foster a mutually beneficial framework for the parties collaborating together over the next decade.

In setting the proper course for this new governance structure, TELUS would like to propose a joint "Leaders Forum" to be held within the first 6 months of the Effective Date of the Agreement. The objective of the Forum would be to encourage candid discussion and proactive dialogue at the highest levels within the two organizations, while building rapport and effective working relationships between the senior leadership teams.

TELUS proposes that the participants from the Province consist of the Premier, Deputy Minister to the Premier, Minister of Citizens' Services and Open Government, and other selected Cabinet Ministers and senior representation from the GPS Entities as appropriate to the agenda. The TELUS participants would be the President and CEO, Chief Commercial Officer, President of TELUS Enterprise Solutions and other members of the TELUS executive team, as appropriate to the agenda.

The itinerary for the Leaders Forum would revolve around exploring high level areas where TELUS and the Province may be able to leverage their respective organizations and business activities to create mutual incremental value for British Columbians and to action any identified opportunities. Potential areas of interest may include, but are not limited to, the following:

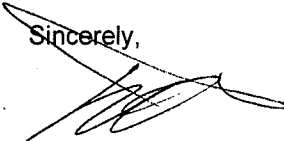
- Coordination and co-operation in economic development and job creation, with a particular focus on First Nations and remote communities;
- Improving the business investment climate in the province;
- Leveraging planned TELUS investment in the province;
- Coordination of philanthropic and community based giving activities;
- Advancing the delivery of electronic healthcare services; and

- Engaging in policy consultation and coordination on subject matters of mutual importance.

TELUS envisions the Forum to be a face to face, half day event at either TELUS Headquarters in Vancouver or the Premier's office in Victoria. TELUS is also open to scheduling an annual recurring event based on mutual agreement.

On behalf of the TELUS team, I look forward to hearing the Province's feedback and I am excited about the potential opportunities these new agreements will bring for the citizens of British Columbia.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim Draper', written over the word 'Sincerely,'.

Tim Draper  
Vice President, TELUS Business Solutions  
A Member of the TELUS team

**Tim Draper**  
A Member of the TELUS team

July 29, 2011

**Province of British Columbia and the GPS Entities**

Attention: Kim Henderson,  
Deputy Minister, Citizens' Services and Open Government,  
Ministry of Labour, Citizens' Services and Open Government  
PO Box 9440 Stn Prov Govt  
Victoria V8W9V3

Dear Ms. Henderson:

**Re: Pharmanet Credit Matter and the Telecommunications Service Master Agreement between TELUS Communications Company ("TELUS") and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of Labour, Citizens' Services and Open Government (the "Province") and the other GPS Entities with an Effective Date of July 29, 2011 (the "Agreement")**

Under this letter agreement the GPS Entities (capitalized terms in this letter agreement have the meaning given them in the Agreement) and TELUS agree that pricing for certain Pharmanet data circuits provided by TELUS to the Province under the Agreement will be discounted in order to achieve the objective of maintaining a functionally 'flat spend' for Services on the part of the GPS Entities as of the Effective Date, which the GPS Entities and TELUS have determined to be an annual spend amount of \$83,296,290 (subject to adjustment as described below).

Accordingly, pricing for the Data Services related to the 605 Pharmanet data circuits provided by TELUS to the Province as of the Effective Date will remain unchanged from present and will be as defined in the Price Book. To achieve an effective flat spend in the first Contract Year of the Agreement, TELUS will issue a fixed total monthly credit of \$27,049.95 to the Province until the later of the end of Contract Year 1 or the completion of the Cellular Services optimization exercise (as described in Schedule MM of the Agreement) (the "**Credit Period**"). At the end of the Credit Period, pricing will be adjusted in accordance with the following steps:

1. The flat spend amount set out above will be adjusted to take into account any adjustments to the initial Revenue Commitment made under sections 2(a)(vii) and (viii) of Schedule MM of the Agreement.
2. The fixed total monthly credit mechanism used in the Credit Period as described above will be replaced by a discounted Service price for any Data Services related to the Pharmanet data circuits provided by TELUS to the Province at such time (the "**Applicable Pharmanet Data Circuits**"). To calculate such discounted Data Service price per circuit, the flat spend amount set above, as adjusted in accordance with Step 1 above, will be reduced by the initial Revenue Commitment as adjusted in Step 1 above, and then divided evenly by the total number of the Applicable Pharmanet Data Circuits.
3. Notwithstanding the Price Book, such discounted Data Services pricing per circuit will apply to each Pharmanet data circuit provided by TELUS to the Province under this

Agreement up to the quantity of the Applicable Pharmanet Data Circuits until any such circuit is transitioned as part of the CE Transition and is used to receive CE Data Services at the rate applicable thereto. For clarity, such discounted Data Services pricing will not apply to any Pharmanet data circuits that are transitioned as part of the CE Transition during the Credit Period and the "true up" calculation in Step 5 below will take into account that the fixed total monthly credit set above should have been appropriately reduced to account for the ceasing of discounting under this letter agreement with respect to any such circuits that were transitioned as part of the CE Transition during the Credit Period.

4. Any 'net new' Pharmanet data circuits provided by TELUS over and above the quantity of the Applicable Pharmanet Data Circuits will be priced at the applicable rates in the Price Book.
5. A 'true up' credit or debit will be issued to address any difference between the monthly credits paid in the Credit Period and what the actual credits should have been based on the adjustments to the flat spend amount and the initial Revenue Commitment as described in Step 1 above (and taking into account any adjustments related to the CE Transition described in Step 3 above). The calculation of the total amount of the related applicable annualized adjustment (credits or discount rates) will be the difference between the 'flat spend' amount and the initial Revenue Commitment, which, until the end of the Credit Period and before any pricing adjustments set out in the steps above are made, is \$324,599.40. Set out in Exhibit A attached to this letter agreement are examples of how the 'true up' credit or debit will be calculated in various circumstances.

If you are in agreement with the foregoing, please return an executed copy of this letter agreement.

Sincerely,

~~TELUS Communications Company~~



By: Tim Draper  
Vice President  
TELUS Business Solutions  
A Member of the TELUS Team

Agreed to and accepted this 29<sup>th</sup> day of July, 2011 by the Province.

**Her Majesty the Queen in Right of the Province of  
British Columbia**, as represented by  
The Minister of Labour, Citizens' Services and Open  
Government

By: 

Kim Henderson,  
Deputy Minister, Citizens' Services and Open Government

**EXHIBIT A**  
**EXAMPLES OF TRUE UP ADJUSTMENT UNDER STEP 5**

**If during the Credit Period:**

- Flat spend – initial Revenue Commitment = \$360,000
- Monthly credit =  $\$360,000/12 = \$30,000$
- Pharmanet circuits: 600
- Effective discount per circuit per month:  $\$360,000/600/12 = \$50/\text{cct}/\text{mo}$ 
  - Note: this effective discount is only used to determine a CE Adjustment below

**Example #1 (No CE Transition during the Credit Period):**

- New flat spend – initial Revenue Commitment = \$396,000
- Applicable Pharmanet Data Circuits: 600
- New discount per circuit per month:  $\$396,000/600/12 = \$55/\text{cct}/\text{mo}$
- Monthly circuit price for non-transitioned circuits:  $\$350 - \$55 = \$295$
- “True-Up” calculation: (New flat spend adjustment – original flat spend adjustment)
  - $\$396,000 - \$360,000 = \$36,000$
  - TELUS to provide a credit of \$36,000 to the Province

**Example # 2 (With CE Transition during the Credit Period):**

- CE transitions:
  - 100 circuits transitioned to CE at month 6 of the Term
  - No adjustments are made within the Credit Period to the fixed monthly credit
  - This means there was an additional credit provided of  $100 \times \$50 \times 6 \text{ months} = \$30,000$  (“CE Adjustment”)
- New flat spend – initial Revenue Commitment = \$396,000
- Applicable Pharmanet Data Circuits: 600 (including those transitioned to CE)
- New Discount:  $\$396,000/600/12 = \$55/\text{cct}/\text{mo}$ 
  - Note: The CE circuits are factored into the calculation to determine the new discount, but are not discounted further
- New monthly circuit price for no-transitioned circuits:  $\$350 - \$55 = \$295$ 
  - Note: Circuits on CE remain at the \$250/mo
- “True-Up” calculation: (New flat spend adjustment – original flat spend adjustment) + CE Adjustment
  - $(\$396,000 - \$360,000) + \$30,000 = \$6,000$
  - TELUS to provide a credit of \$6,000 to the Province