

## SCHEDULE I – PROJECT ACCEPTANCE AND OTHER REQUIREMENTS

### 1. INTRODUCTION

#### 1.1 Purpose of this Schedule

The project management tools, procedures, terms and conditions set out in Schedule I will apply to each Project implemented under this Agreement except to the extent otherwise agreed in writing with respect to a Project by the applicable parties involved in the Project, taking into consideration factors that each party determines are appropriate such as the size and complexity of the Project.

### 2. PROJECT STRUCTURE AND APPROVAL

#### 2.1 Project Documentation and Structure

- (a) Each Project, whether implemented through a Service Order, Change Order or other amendment to this Agreement, will include the following:
  - (i) a project plan, in a form mutually agreed by TELUS and the one or more applicable GPS Entities involved in the Project (for purposes of this Schedule, the “**Applicable GPS Entities**”), which will include:
    - A. a governance process for the Project (which may be the Governance Process or elements thereof);
    - B. TELUS’ responsibilities in managing and performing the activities necessary to complete the Project;
    - C. ongoing project management reporting by TELUS;
    - D. clearly defined Milestones that TELUS will meet in its performance of activities and Milestone Dates for completing such Milestones;
    - E. clearly defined deliverables, including Tested Deliverables, that TELUS must deliver as part of the Project; and
    - F. GPS Dependencies which function in accordance with section 3;
  - (ii) a project schedule, in a form mutually agreed by TELUS and the Applicable GPS Entities, which will set out, among other things, the timeline for completing the Project, including Acceptance Testing periods;
  - (iii) a project budget, in a form mutually agreed by TELUS and the Applicable GPS Entities (such budget, together with the charter, project plan and other portions of the Service Order, Change

Order or amendment implementing a Project herein referred to as the “**Project Documentation**”);

- (iv) unless otherwise specified in the Project Documentation, Acceptance Testing and Acceptance of Tested Deliverable and Milestones (including completion of the entire Project) in accordance with section 4;
  - (v) Service Levels where agreed by TELUS and the Applicable GPS Entities;
  - (vi) where mutually agreed by the Parties, remedies for the Applicable GPS Entities to address Milestones Dates that are missed by TELUS (except as a result of non-fulfilled GPS Dependencies); and
  - (vii) unless a special change process is agreed to in the Project Documentation, the Change Process will apply with respect to Projects implemented by Change Order or other amendment and the Service Order Change process set out in section 7 of the main body of this Agreement will apply with respect to Projects implemented by Service Order; and
- (b) The Fee structure for Projects will comply with the following principles:
- (i) where payments are based upon delivery of Tested Deliverables or achievement of Milestones, they will only be payable on Acceptance of the Tested Deliverables or Milestones provided, however, that recurring Fees for any ongoing Service implemented as part of a Project will begin to accrue upon such Services being implemented by TELUS (with all applicable Service Levels applying) and being used by an Applicable GPS Entity; and
  - (ii) payments may be based upon other metrics as negotiated between TELUS and the Applicable GPS Entities.

## **2.2 Project Responsibility**

TELUS will be responsible for the management and completion of the activities and tasks described in the Project Documentation for a Project other than GPS Dependencies.

## **3. GPS DEPENDENCIES**

### **3.1 GPS Dependencies in General**

The Project Documentation may contain certain quantified dependencies that TELUS has on one or more of the Applicable GPS Entities. To the extent that such dependencies are expressly listed in any such documentation under the heading “GPS Dependencies” with a corresponding completion date then such dependencies shall be

deemed to be “GPS Dependencies” and the completion date shall be deemed to be its “GPS Dependency Target Date” for the purposes of this Schedule.

### **3.2 Failure to Complete GPS Dependencies**

- (a) If a GPS Entity fails to complete any GPS Dependency for a Project on or prior to the applicable GPS Dependency Target Date, then any obligation of TELUS identified in the Project Documentation for such Project as one that is dependent on the GPS Dependency will be extended by the number of Business Days that the day on which the GPS Entity actually perform such GPS Dependency followed the GPS Dependency Target Date plus any additional number of Business Days reasonably required by TELUS to perform the obligations in accordance with such Project Documentation as result of such failure by the GPS Entity; provided that TELUS:
  - (i) notifies the GPS Entity in writing promptly of any such failure; and
  - (ii) will continue to use commercially reasonable efforts to meet the original deadline set out for such obligation.
- (b) If TELUS fails to notify the GPS Entities of such failure within ten (10) Business Days of first learning of it (or such other time period as agreed by the parties), TELUS will be precluded from subsequently citing the GPS Entity’s failure as a reason for TELUS’ own subsequent failure to perform.

## **4. TESTED DELIVERABLE, MILESTONE AND PROJECT ACCEPTANCE**

### **4.1 Tested Deliverable and Milestone Acceptance Overview**

The procedures, terms and conditions set out in this section 4 will apply to the delivery, testing and Acceptance of any Tested Deliverable provided by TELUS as part of a Project (including the performance of Acceptance Testing) and determination of whether TELUS has achieved a Milestone (including completion of an entire Project) on or before its Milestone Date.

### **4.2 TELUS Testing**

- (a) For each Tested Deliverable of a Project, on or prior to the applicable Milestone Date (set out in the project plan for the Project) by which TELUS must complete the Milestone TELUS will complete internal testing, where applicable, of the Tested Deliverable that is sufficient to ensure that the Tested Deliverable:
  - (i) conforms to and performs in accordance with the applicable Acceptance Criteria, Specifications and Service Levels; and
  - (ii) is ready for the one or more applicable GPS Entities involved in the Project to conduct Acceptance Tests.

- (b) At an Applicable GPS Entity's request, TELUS will permit representatives of such GPS Entity to observe and participate in the tests performed by TELUS in accordance with this section 4.2.
- (c) TELUS will provide to each of the Applicable GPS Entities copies of the following (collectively, the "**Test Materials**"):
  - (i) all test plans and test scripts used to perform the testing conducted pursuant to section 4.2;
  - (ii) entry and exit criteria for all tests;
  - (iii) a report setting out the number of planned tests and the number of actual tests, along with an explanation for any variance between the planned and actual number;
  - (iv) all related test results; and
  - (v) any other information that the Applicable GPS Entities reasonably request in order for the Applicable GPS Entities to verify and assess the Tested Deliverable or the testing performed by TELUS.
- (d) TELUS will perform all obligations of TELUS set out in the Project Documentation to install and make Tested Deliverable available so that it is ready to conduct Acceptance Tests.
- (e) Following TELUS's completion of the obligations set out in sections 4.2(a) to (d) above, TELUS will deliver to the Applicable GPS Entities a notice, in the form and manner specified in the Project Documentation (the "**Notice of Readiness**").

### 4.3 Acceptance Tests

- (a) Following the receipt by the Applicable GPS Entities of a Notice of Readiness in accordance with section 4.2, TELUS will provide all implementation, installation, training and other Services set out in the Project Documentation to conduct Acceptance Testing of each Tested Deliverable in accordance with this Schedule and the Project Documentation.
- (b) Upon completion by TELUS of the obligations set out in section 4.2(a), the Applicable GPS Entities will be entitled to conduct Acceptance Testing of the Tested Deliverable. Such Acceptance Testing may include, at the Applicable GPS Entities' option:
  - (i) the operation of the Tested Deliverable in a live production environment (including the integration and operation of the Tested Deliverable in a live production environment with the Systems and operations of the Applicable GPS Entities and other service providers of such GPS Entities); and

- (ii) the performance by TELUS of all Services relating to such Tested Deliverable to the extent required in order to determine whether the Tested Deliverable conforms to and performs in accordance with the applicable Acceptance Criteria, Specifications and Service Levels, and that TELUS is capable of providing the Tested Deliverable and related Services in accordance with this Agreement and the Project Documentation, as applicable.
- (c) TELUS will comply with any additional obligations relating to the performance of Acceptance Testing set out in the Project Documentation.

#### **4.4 Failure to Pass Acceptance Testing**

- (a) If the Applicable GPS Entities determine that all or any part of any Tested Deliverable fails to pass Acceptance Testing, the Applicable GPS Entities will deliver to TELUS a Failure Notice, which will include a description of the reasons for the failure to pass Acceptance Testing. The Applicable GPS Entities and TELUS will mutually agree upon a process for the prompt and regular delivery to TELUS of Failure Notices to facilitate the correction of such failures by TELUS as soon as reasonably possible. **[NTD: The following definition will be set out in Schedule A: Failure Notice” means a written notice of rejection of a Tested Deliverable that has failed User Acceptance Testing in accordance with Schedule I.]**
- (b) Upon receipt of a Failure Notice, TELUS will immediately begin to make the necessary corrections and will engage in all activities required to comply with the obligations set out in section 4.2 above as soon as possible and, in any event, no later than ten (10) Business Days (or such longer period set out in the Project Documentation or otherwise agreed to in writing by TELUS and the Applicable GPS Entities, acting reasonably) following receipt by TELUS of the Failure Notice. Upon the completion by TELUS of the activities described in the preceding sentence and receipt by the Applicable GPS Entities of a new Notice of Readiness, the Applicable GPS Entities will be entitled to resume Acceptance Testing in accordance with section 4.3 above. The provisions of section 4.3 and this section 4.4 will apply to any such additional Acceptance Testing.

#### **4.5 Acceptance**

- (a) Acceptance of a Tested Deliverable will occur only upon the delivery by the Applicable GPS Entities to TELUS of an Acceptance Notice. For greater certainty, the use by a GPS Entity of all or any part of any Tested Deliverable in a live production environment will not constitute Acceptance and a GPS Entity may so use all or any part thereof without waiving or otherwise affecting any rights that it has hereunder.
- (b) The Applicable GPS Entities will promptly (no later than ten Business Days or such longer period as specified in the Project Documentation or as TELUS and the Applicable GPS Entities may agree, acting reasonably) deliver an Acceptance Notice to TELUS in respect of a Tested Deliverable

upon the Applicable GPS Entities determining, in their discretion, that the Tested Deliverable:

- (i) conforms to and performs in accordance with the applicable Acceptance Criteria, Specifications and Service Levels;
- (ii) is integrated with the production environment of the GPS Entities; and
- (iii) meets any other criteria set forth in the Project Documentation or that are otherwise agreed to in writing by the Applicable GPS Entities and TELUS.

#### **4.6 Failure to Meet Milestone Date**

- (a) TELUS will notify the Applicable GPS Entities in writing immediately if it becomes aware that it will or that it is likely to fail to complete a Milestone of a Project and have it accepted by its applicable Milestone Date. The notice provided by TELUS will include the reasons for TELUS' failure, the potential effect of the failure on the ability of TELUS to complete the Project, the steps that TELUS proposes to take in order to remedy the failure and mitigate the effect of the failure, and the anticipated date by which TELUS will complete the Milestone (including all Tested Deliverables comprising the same) and any other affected Milestones.
- (b) The Applicable GPS Entities will be entitled to any agreed upon applicable remedies set out in the Project Documentation if:
  - (i) Acceptance of the Tested Deliverable has not occurred on or before the applicable Milestone Date; or
  - (ii) TELUS fails to meet any other Milestone of a Project (including completion of a entire Project) on or before the applicable Milestone Date.

#### **4.7 Project Acceptance**

The purpose of the Acceptance of an overall Project in its entirety ("**Project Acceptance**") is to establish mutual agreement that a Project is complete. This is a key input to gaining Project closure.

- (a) Project Acceptance constitutes an agreement between the Applicable GPS Entities and TELUS that a Project is complete, and that operational procedures now apply to any ongoing Services implemented as part of the Project.
- (b) A Project is deemed ready for closure (Project Acceptance) when the following elements have been met:
  - (i) all Tested Deliverables of the Project have been Accepted;

- (ii) all required “sign-off” on the Project change control requests with respect to the Project have been made;
  - (iii) all material outstanding issues with respect to the Project have been addressed;
  - (iv) a Project satisfaction survey has been received from the Applicable GPS Entities; and
  - (v) TELUS has prepared for and delivered a Project closure and/or lessons learned session to the Applicable GPS Entities, if applicable.
- (c) Once all the Tested Deliverables and closure activities are validated by the GPS Entities, the Applicable GPS Entities will provide final Project Acceptance by executing the form of project acceptance closure report attached hereto as Exhibit I-1 no later than 10 Business Days after receipt of a completed copy of such form from TELUS, or a longer period that TELUS and the applicable GPS Entities may mutually agree in writing, or such other period as set out in the Project Documentation. Such validated signoff will mark the formal closure of the Project.
- (d) The parties agree that if there are any outstanding issues with respect to a Project, TELUS and the Applicable GPS Entities will define and document appropriate processes to resolve the issues, including a mutually agreed date for completion/resolution of such issues.

## **5. SUSPENSE AND TERMINATION RIGHTS**

### **5.1 Right to Suspend Performance**

- (a) Upon ten (10) Business Days prior written notice to TELUS, the Applicable GPS Entities may, in their discretion, require TELUS to suspend its performance of all or any portion of a Project that then remain unperformed. The Applicable GPS Entities will use commercially reasonable efforts to include in the notice an estimate of the number of days’ suspension they require and to keep TELUS up to date regarding any changes to such estimate.
- (b) Upon receipt of the notice referred to in section 5.1(a), TELUS will suspend its performance of the applicable portion of a Project, commencing on the date for suspension specified in such notice, and will minimize all costs incurred by TELUS as a result of such suspension.
- (c) Within ten (10) Business Days following receipt of a suspension notice, TELUS may deliver to the GPS Entities a change request setting forth:
  - (i) any proposed extensions to the Milestone Dates set out in the project plan that TELUS reasonably requires solely and directly as a result of the suspension requested by the Applicable GPS Entities; provided, however, that, notwithstanding the suspension

requested by the Applicable GPS Entities, TELUS will use commercially reasonable efforts to perform all Services with respect to the Project in accordance with the Project Documentation without extension of any of the Milestone Dates; and

- (ii) any proposed Fees that are solely and directly attributable to the suspension requested by the GPS Entities, calculated in a manner consistent with the pricing structure for the Project.
- (d) Following receipt of such change request, the parties will proceed in accordance with the applicable change process for the Project. If TELUS fails to deliver a change request within this ten (10) Business Day period, then no changes will be made as a result of such suspension.
- (e) Upon the earlier of:
  - (i) the expiration of the period of time during which the Applicable GPS Entities have required TELUS to suspend performance; and
  - (ii) the receipt by TELUS of notice from the Applicable GPS Entities terminating the suspension requirement,

TELUS will take steps to resume the provision of the Services suspended pursuant to this section 5.1, and will resume the provision of the suspended Services as soon as reasonably possible.

## **5.2 Termination of a Project for Convenience**

The Applicable GPS Entities may, at any time and without cause, terminate a Project, in whole or in part, for any reason whatsoever in accordance with section 31.6.1 of the main body of this Agreement except that: (a) sections 31.6.2 and 31.6.3 of the main body of this Agreement will not apply to any such termination; and (b) that the Applicable GPS Entities will reimburse TELUS for the unamortized portion of any unrecoverable or otherwise stranded, demonstrable, direct operating or capital expense, pre-payment of third party expenses or third party capital cost incurred by TELUS or costs incurred by TELUS as a third party termination fee with respect to the Project or portion thereof terminated as of the effective date of termination, provided, however, that: (i) the Applicable GPS Entities Approved such capital expense as being an expense recoverable upon termination for convenience in the Project Documentation; (ii) TELUS can demonstrate that it has incurred such capital expense where the reimbursable expense is subsequently claimed by TELUS; (iii) capital costs recoverable under this section will be limited to a maximum amortization period of 36 months or such longer period as set forth in the Project Documentation based upon TELUS accounting requirements relating to amortization; (iv) such capital expense relates directly and exclusively to the provision of Services with respect to the Project and exclusively benefits GPS Entities or as otherwise agreed by the parties; (v) such capital expense does not represent a portion of a capital expense shared with any third parties; (vi) with respect to third party termination fees, TELUS has made reasonable efforts to mitigate such costs; and (vii) such costs are extraordinary in nature (taking into consideration past practices under the MCSA) (by way of example, a situation such as the



procurement of a Cisco TelePresence system where there are unique hardware investments solely for the GPS Entity's benefit).

**Exhibit I-1**  
**Project Acceptance and Closure Form**

(See Attached)

## Project Acceptance and Closure Form

Project Information			
<b>Program Name</b>	STSP Steady State	<b>Project #</b>	P0910-XX
<b>Project Name</b>		<b>Project Manager</b>	
<b>Date Created</b>		<b>GPS Entity</b>	
<b>Acceptance Required by:</b>		<b>CSM</b>	

Purpose of the Project Closure Report	Goals of the Project Closure Report
<p>The Project Closure Report summarizes information relative to the delivery of the project and is used to assess the success of the project.</p>	<ul style="list-style-type: none"> <li>Review and validate the success of the project</li> <li>Confirm outstanding issues, risks and recommendations</li> <li>Outline tasks and activities required to close the project</li> <li>Confirm Project Acceptance readiness</li> </ul>

Project Objectives	Key Success/ Acceptance Criteria
<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>

Deliverables			
<p>The deliverable(s) noted below have been completed.</p>			
ID#	Deliverable Title	Target Acceptance or Revised Acceptance Date*	Actual Acceptance Date
<p>*Use Revised Acceptance Date if date was changed as a result of an approved Change Request.</p>			

### Change Management Metrics

The changes noted below represent the *key* changes that impacted project scope, time or schedule.

ID#	Change Request Title	Main Impact	Quote Value	Accepted?

### Risk Management Performance Metrics

The risks noted below represent the *key* risks managed throughout the project.

ID#	Risk Title/Event	Did Risk Occur?	Did Mitigation/Contingency Plan Work?

### Key Lessons Learned

The lessons noted below represent the *key* lessons learned throughout the Project.

Lesson Learned Title	Observation	Suggested Resolution

## Project Acceptance and Closure Form

Project Acceptance Elements Met	Yes	No	Comments (mandatory if No)
All required "sign-off" on Deliverables the project have been received <b># Accepted                    # Declined                    #Cancelled</b>			
All required "sign-off" on the change requests with respect to the Project have been received <b># Accepted                    # Declined                    #Cancelled</b>			
All material outstanding issues with respect to the Project have been addressed <b># Closed                    # Open                    #Total</b>			
A Project satisfaction survey has been received from the Applicable GPS Entities			
A <i>Lessons Learned</i> and Project Closure session has been completed by TELUS and the Applicable GPS Entities, If applicable			

### Project Acceptance

*The signatories noted below mutually agree that this Project is complete; all Deliverables have been completed, and the Project is Accepted.*

Acceptance	Yes	No	Comments (mandatory if rejected or cancelled)
Accepted			
Rejected			
Cancelled			

### Acceptance Signatories

The signatories noted below are authorized to approve the acceptance of this Project

Organization	Title	Name	Signature	Date
TELUS	Project Manager			yyyy/mm/dd
				yyyy/mm/dd
				yyyy/mm/dd
				yyyy/mm/dd