

SCHEDULE K - GOVERNANCE

1. PURPOSE AND GUIDING PRINCIPLES

1.1 Purpose

This Schedule K sets forth the governance channel, processes and procedures for the effective implementation and management, both strategically and operationally, of the Transaction Agreements in a timely manner that maximizes performance and contract success for the GPS Group and TELUS.

1.2 Objectives of the Governance Framework

The primary objectives of the governance framework set out in this Schedule are to:

- (a) ensure effective and timely oversight, performance management, and decision-making through clearly defined roles and responsibilities and reporting mechanisms;
- (b) identify opportunities to leverage common needs to the mutual benefit of the parties;
- (c) establish effective governance processes that provide for sincere dialogue and rapid escalation of relationship problems;
- (d) effectively identify and resolve difficult issues through a process of cooperative and amicable interest based negotiations involving timely escalation through a series of governance levels; and
- (e) ensure that an effective relationship management process exists including communication, decision making, reporting, measurement, issue resolution and dispute resolutions processes.

1.3 Guiding Principles

The parties agree to adhere to the following guiding principles for governance:

- (a) utilize transparency and market forces where and as defined in the Transaction Agreements in order to ensure that the financial aspects of the Transaction Agreements provide demonstrable value for money;
- (b) proactively identify sources of disagreement and discord and take timely action before they become matters of dispute;
- (c) where possible, resolve issues through a process of cooperative and amicable discussions and negotiations; and
- (d) ensure that the governance processes and procedures enable the parties to:

- (i) understand and execute their responsibilities and accountabilities under the Transaction Agreements;
- (ii) work co-operatively together over the Full Term, subject to the specific rights of a party under the Transaction Agreements;
- (iii) develop and maintain high quality relationships; and
- (iv) accommodate the lifecycle of the Transaction Agreements and adapt to changing environments.

1.4 Participation in Governance Process

The parties agree that they will each utilize the Governance Process in accordance with the provisions of this Schedule including requiring each of its representatives to attend meetings and to participate in the activities of the committees and other groups of which they are members in accordance with this Schedule.

2. GOVERNANCE FRAMEWORK

2.1 Overall Governance Structure

The overall governance structure is as depicted in the diagram below (the “**Governance Chart**”):

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2.2 Governance Levels

The parties agree that there will be four levels of governance for the relationship between the parties as set out in the Governance Chart (i.e. Levels 1 to 4).

2.3 Joint Executive Governance Committee (Level 1)

The parties hereby establish an executive governance committee (the “**Joint Executive Governance Committee**” or “**JEGC**”) with the mandate to provide, among other things, executive oversight and strategic direction, and set priorities for guiding the relationship under the Transaction Agreements. Other particulars with respect to the JEGC, including the composition, role, responsibilities and authority of the JEGC, are set out in Exhibit K-1 to this Schedule.

2.4 Strategic Management Committee (Level 2)

The parties hereby establish a strategic management committee (the “**Strategic Management Committee**” or “**SMC**”) with the mandate to undertake, among other things, strategic planning with respect to the Transaction Agreements, including the planning and implementation of opportunities utilizing SIF in accordance with the Strategic Relationship Agreement. Other particulars with respect to the SMC, including

the composition, role, responsibilities and authority of the SMC, are set out in Exhibit K-2 to this Schedule.

2.5 Operational Management Committee (Level 3)

The parties hereby establish an operational management committee (the “**Operational Management Committee**” or “**OMC**”) with the mandate to, among other things, operationalize this Agreement. Other particulars with respect to the OMC, including the composition, role, responsibilities and authority of the OMC, are set out in Exhibit K-3 to this Schedule.

2.6 Client Service Management (Level 4)

- (a) Level 4 governance will be conducted with the separate structures for each GPS Entity set out in sections 2.6(c) and 2.6(d).
- (b) Except as otherwise provided in this Agreement, each GPS Entity will be responsible for its own contract management, including, without limitation, authorizing and issuing Service Orders, monitoring Achieved Service Levels, billing reconciliation, paying Fees pursuant to invoices, reviewing reports prepared by TELUS (including Service Level Reports) and resolution of issues specific to reports. The responsibilities and activities of each GPS Entity with respect to the Governance Process include:
 - (i) addressing failures to achieve Service Levels;
 - (ii) reviewing results of satisfaction surveys;
 - (iii) resolving any issues and conflicts specific to the GPS Entity;
 - (iv) escalating issues to the Operational Management Committee that cannot be resolved at the fourth level of governance by the GPS Entity through its GPS Entity Lead Representative or TELUS through its TELUS Client Service Managers to the Operational Management Committee;
 - (v) developing annual work plans and supporting resourcing plans (including budgets, human resources, and infrastructure plans) for their specific service elements and communicating such plans to the Operational Management Committee; and
 - (vi) developing monthly, quarterly, and annual progress and performance measurement reports and communicating such reports to the Operational Management Committee.
- (c) Each GPS Entity will assign one individual to act as its primary liaison with TELUS (through the TELUS Client Service Manager assigned to its account) with respect to this Agreement and the Services at the operational level (“**GPS Entity Lead Representative**”).

- (d) TELUS will assign a client service manager to service each GPS Entity (the “**TELUS Client Service Managers**”) and each such individual will act as the primary liaison with a GPS Entity (through such GPS Entity’s GPS Entity Lead Representative) with respect to this Agreement and the Services at the operational level. For greater certainty, a TELUS Client Service Manager may be a primary liaison for more than one GPS Entity.
- (e) The GPS Entity Lead Representative of each GPS Entity and the TELUS Client Service Manager assigned to service the account of such GPS Entity will meet and communicate regularly and on an ad hoc basis as required to ensure the success of the relationship of the parties under this Agreement at the operational level, including to discuss operational and contractual issues.
- (f) The GPS Entity Lead Representative of each GPS Entity and the TELUS Client Service Manager assigned to service the account of such GPS Entity will be responsible for jointly preparing an annual service plan for such GPS Entity in accordance with section 10.4 of the main body of this Agreement.
- (g) There will be an alignment of strategic, technical and operational roles between each GPS Entity and TELUS.
- (h) Subject to the Dispute Resolution Process, operational issues and problems involving a GPS Entity and TELUS will be escalated in accordance with the Operational Escalation Matrix, as further described in section 9.

3. TRANSITION GOVERNANCE

- 3.1 The Transition will be managed and governed in accordance with section 4.6 of the main body of this Agreement.
- 3.2 The CE Transition will be managed and governed in accordance with Schedule OO (CE Network Transition).

4. SUPPORTING RESOURCES

- 4.1 The JEGC, the SMC and the OMC will be supported by appropriate staff assigned by each of their respective Co-Chairs.
- 4.2 Notwithstanding that a Schedule may set out the specific participants or members of a governance body, a party shall be entitled to have any support personnel and subject matter experts it deems necessary attend a meeting of such body as a representative of the party. Such support personnel and subject matter experts shall be in addition to, and not in substitution for, the participants named in a Schedule. If a party intends on inviting a support person or a subject matter expert to attend a governance meeting, the party will provide the other party or parties, as applicable, with prior notice in writing of that the individual

who will be attending and the purpose for such individual attending. No competitor of TELUS will be entitled to attend a governance body meeting unless TELUS consents to such competitor attending, which consent TELUS may withhold in its absolute discretion.

5. WORKING GROUPS

- 5.1 The JEGC, the SMC and the OMC may from time to time form working groups (“**Working Groups**”) for any purpose such committees agree is appropriate, taking into consideration their governance mandate and any applicable terms, conditions or restrictions set out in the Transaction Agreements.
- 5.2 Working Groups will be comprised of the individuals as determined by the committees so forming such Working Groups. The committees who form a Working Group may from time to time change individuals or replace individuals in such Working Group.
- 5.3 The responsibilities, authority and decision and meeting process of a Working Group will be as determined by the committee so forming it.
- 5.4 The JEGC, the SMC and the OMC may delegate any of their respective roles, responsibilities and functions to any Working Groups they form.
- 5.5 Working Groups will operate subject to and in accordance with:
 - (a) the terms of this Agreement; and
 - (b) the decisions and the direction of the committee who formed them.
- 5.6 The Working Groups will meet as needed and will document their actions and decisions.
- 5.7 In the event that issues are raised which either or both of TELUS and the GPS Group do not consider have been appropriately addressed after reasonable efforts by the Working Group, such issues may be escalated and will be addressed by referral to the committee who so formed it in a prompt manner and no later than the next joint meeting of such committee.
- 5.8 Pursuant to Section 4.2 of the Strategic Relationship Agreement the parties agree that a SIF Working Group shall be formed as contemplated therein. The parties further agree that an architecture Working Group shall be formed by the SMC in a manner so determined by the SMC.

6. DECISION MAKING

All the committees shall endeavour to make decisions on a consensus basis. In the absence of consensus the co-chairs of the committees shall determine the decision.

7. MEETING PROTOCOLS

7.1 The parties acknowledge and agree that, to the extent possible, all governance meetings should follow the following standard business practices for meeting etiquette:

- (a) all meetings will have meeting minutes, which shall be distributed to the members as soon as possible after the meeting; and
- (b) to the extent possible the meetings of committees and other groups will be held in-person, provided that the members of a committee or other group may hold their meetings by way of video conference, telephone conference or any other communication facility where all persons participating in the meeting can hear each other and make themselves heard.

8. ANNUAL REVIEW OF THE GOVERNANCE STRUCTURE

8.1 The overall governance structure under the Transaction Agreements will be reviewed by the JEGC on annual basis throughout the Term to monitor and potentially enhance the effectiveness of the structure and processes in order to enable the parties to:

- (a) clearly understand and execute their responsibilities to one another under the Transaction Agreements;
- (b) work co-operatively together over the Full Term;
- (c) have a governance structure for the Transaction Agreements that is practical, timely and effective; and
- (d) facilitate the effective roll-out of vertical and horizontal solutions that drive benefits for the GPS Entities individually as well as shared solutions and benefits that would otherwise not be realized if the GPS Entities worked independently.

9. OPERATIONAL CONTACTS AND ESCALATION

9.1 Set out in Exhibit K-4 is an operational escalation matrix with respect to TELUS contacts, which includes the contract details for the TELUS Service Centre. Notwithstanding the Change Process, TELUS may update the information set out in the operational escalation matrix from time to time by providing written notice to the Administrator or all of the GPS Entities, together with an update version of the matrix in Exhibit K-4, at least five Business Days in advance.

9.2 Each GPS Entity will provide to TELUS a document setting out an operational escalation matrix with respect to its contacts that corresponds with TELUS escalation matrix set out in Exhibit K-4. Notwithstanding the Change Process, a GPS Entity may update the document it provided to TELUS setting out its operational escalation matrix from time to time by providing written notice to

TELUS, together with a copy of the updated document, at least five Business Days in advance.

10. MISCELLANEOUS

- 10.1 Where a governance body described in this Schedule contains a reference to a particular position, ministry, department, business unit and such position, ministry, department or business unit is renamed, replaced or superseded during the Full Term, whether as a result of a reorganization or otherwise, the reference in this Schedule shall be deemed to be amended to refer to the new name or the applicable functional replacement or successor.

EXHIBIT K-1
JOINT EXECUTIVE GOVERNANCE COMMITTEE

Members: GPS Group: Deputy Minister, Citizens' Services and Open Government

TELUS: President of TELUS Enterprise Solutions (Monty Carter as of the Effective Date)

The Deputy Minister, Citizens' Services and Open Government on behalf of the GPS Group and the President of TELUS Enterprise Solutions on behalf of TELUS each may, on advance notice to the other, invite ad hoc representatives of such party or parties to attend meeting of the JEGC.

Co-Chairs: Deputy Minister, Citizens' Services and Open Government and President of TELUS Enterprise Solutions

Purpose: The roles and responsibilities of the JEGC include:

- To monitor the health and achievements of the contractual relationship between the parties under the Transaction Agreements;
- To review, comment and provide suggestions/direction on the progress report and year end performance reports presented by the various Co-Chairs of the supporting committees;
- To review and approve the Annual Operating Plan;
- To discuss proposed SIF opportunities;
- To monitor the progress of SIF projects;
- To monitor the progress of agreed Additional Services;
- To establish terms of reference for the SMC and revise such terms of reference from time to time to the extent required;
- To review the effectiveness of the overall governance structure supporting the Transaction Agreements and to make adjustments when and where necessary;
- To set the strategic direction for the relationship;
- To clear material roadblocks in the relationship;
- To resolve disputes escalated from the Strategic Management Committee;
- To act as a final dispute resolution mechanism in the Governance Process;
- To act as the forum for the GPS Group to communicate GPS Group selection and approval of SIF project opportunities under the Strategic Relationship Agreement;
- To act as the forum for TELUS to exercise its veto rights under the Strategic Relationship Agreement with respect to SIF project opportunities; and

- Any other roles and responsibilities of the JEGC set out in the Transaction Agreements.

Reports to: N/A (This is the highest level of governance)

Authority The JEGC has authority to, among other things:

- Resolve Disputes escalated to the JEGC in accordance with Dispute Resolution Process or otherwise;
- Resolve problems with SIF projects;
- Approve each Annual Operating Plan;
- Make final decisions on relationship changes; and
- Make decisions on changes to the Governance Process.

Timing: The terms of reference for the JEGC will set out a schedule for meeting of the JEGC. In addition, either Co-Chairs may call a meeting of the JEGC at any time by providing at least 7 days prior notice to the other Co-Chair.

Organization: Co-Chairs will establish terms of reference for the JEGC, which will address, among other things, the timing and format for meetings of the JEGC, and will review and, to the extent the Co-Chairs determine necessary, revise such terms of reference from time to time.

**EXHIBIT K-2
STRATEGIC MANAGEMENT COMMITTEE**

Members: GPS Group: CIO of the Province (Dave Nikolejsin as of the Effective Date) and the person acting as Administrator

TELUS: Vice President, Sales, British Columbia (Tim Draper as of the Effective Date) and the Director of BC Public Sector (Michael Rostad as of the Effective Date)

The above members each may, on advance notice to the other, invite ad hoc representatives of such party or parties to attend a meeting of the SMC.

Co-Chairs: CIO of the Province and Vice President, Sales, British Columbia for TELUS

Purpose: The roles and responsibilities of the SMC include:

- Reviewing and jointly planning the technical direction of the services being provided by TELUS under the Transaction Agreements;
- Collecting, evaluating and prioritizing potential SIF Project opportunities based upon the GPS Priorities and input from the GPS Entities and TELUS for purposes of creating a Candidate SIF Projects List;
- Reviewing and updating the Candidate SIF Projects List on a quarterly basis, based upon ideas for new SIF initiatives received from the GPS Entities and TELUS and feedback from the SIF Working Group;
- Tracking the effectiveness of the SIF Working Group, including monitoring that SIF Project proposals are being prepared, the list of Eligible SIF Projects is being updated as required and SIF Dollars are being drawn down in a timely manner such that SIF Dollars are drawn down within the thirty six (36) month draw down period;
- Monitoring the progress of SIF Projects, ensuring timely course corrections where required and communicating progress and results in a timely manner to the Joint Executive Governance Committee;
- Reviewing and discussing the Quarterly SIF Report;
- Updating the Additional Services List, including reviewing and considering Additional Services opportunities identified and brought to the SMC;
- Monitoring the success of the implementation of any agreed Additional Service;
- Considering SIF contributions arising from internal TELUS cost savings and TELUS External Cost Savings;

- Considering and attempting to resolve any disputes related to the SIF, SIF Projects or Additional Services or the interpretation of any contractual provisions related thereto;
- Discussing objections TELUS may have to the proposed withdrawal of SIF Dollars by the GPS Entities;
- Considering a request by the GPS Entities on an exception basis to use SIF Dollars to partially or wholly subsidize fees payable to TELUS by any entity other than a GPS Entity or fees associated with a change order under a then existing contract;
- Discussing a request by the GPS Entities for a draw down pursuant to Section 5.5(g) of the Strategic Relationship Agreement;
- Reviewing and discussing periodic reports related to initiatives or escalations under the Connecting BC Agreement by the TELUS Ambassador and the Province Contract Manager (or their replacements or successors) and dealing with any issues arising or where the issue cannot be resolved packaging the matter for Joint Executive Governance Committee consideration;
- Receiving ideas for SIF Projects Opportunities from the GPS Entities and performing an analysis on each proposed project in order to confirm it satisfies the requirements of the Strategic Relationship Agreement;
- Discussing proposals for specific SIF Project Opportunities prepared by the Administrator, including timing, resource and capital requirements, the participating GPS Entities, etc.;
- Developing and implementing appropriate project management and governance structures to support individual SIF Projects;
- Receiving updates from, and providing direction to, project teams for individual SIF Projects;
- Providing a forum for the GPS Group and TELUS to discuss technology standards, plans, initiatives, and BC-based infrastructure investments on a joint basis to facilitate coordination of such matters;
- Evaluating and commenting on the operational impacts of the evolving infrastructure of TELUS and of the GPS Entities;
- On at least an annual basis both the GPS Group and TELUS will bring forward their technology plans and discuss opportunities for collaboration. As one example, in the case of TELUS, it will bring forward its BC infrastructure plans for comment, service plans, road maps (including the Technology Roadmap), capital plans and all other relevant planning documents and strategies (as may reasonably be provided). This includes TELUS' view of what TELUS anticipates will be happening in the market in the near, medium and long term future;
- Providing technical and product input;

- Providing an organizational mechanism to engage TELUS and its partners in a broad collection of activities at the product level over the course of the relationship;
- Overseeing the operational impacts of the evolving infrastructure of TELUS and the GPS Entities;
- Receiving IT/IM global thought leadership resources that TELUS brings to the contractual relationship, between the parties as necessary during the course of the relationship;
- Reporting out to the Joint Executive Governance Committee on any other matters as directed by the Joint Executive Governance Committee;
- Forming Working Groups to deal with strategic issues to the extent and receive recommendation provided by any such Working Groups;
- Establishing terms of reference for the OMC and revising such terms of reference from time to time to the extent required;
- Resolving disputes escalated from the Operational Management Committee; and
- Escalating unresolved Disputes to the JEGC; and
- Any other roles and responsibilities of the SMC set out in the Transaction Agreements.

Reports to: JEGC

Authority The SMC has authority to, among other things:

- Resolve Disputes escalated to the SMC in accordance with Dispute Resolution Process or otherwise; and
- Accept recommendations from Working Groups and subcommittees that relate to strategic issues.

Timing: The terms of reference for the SMC will set out a schedule for meetings of the SMC. In addition, either Co-Chair may call a meeting of the SMC at any time by providing at least 7 days prior notice to the other Co-Chair.

Organization: The terms of reference for the SMC are set by the JEGC and will address, among other things, the timing and format for meetings of the SMC. The business conducted at SMC meetings is intended to be a reasonable balance of operational matters relating to this Agreement and the Services and strategic matters related to, among other things, SIF and Additional Services.

Any capitalized terms contained in this Exhibit and not defined in this Schedule or Schedule A will have the meanings given to those terms in the Strategic Relationship Agreement.

**EXHIBIT K-3
OPERATIONAL MANAGEMENT COMMITTEE**

Members: GPS Group: Administrator and CCIO members

TELUS: Director, BC Public Sector and Director, Client Service Management

The Administrator on behalf of the GPS Group and Director, Client Service Management on behalf of TELUS each may, on advance notice to the other, invite ad hoc representatives of such party or parties to attend a meeting of the OMC.

Co-Chairs: Administrator and Director, Client Service Management

Purpose: The roles and responsibilities of the OMC include:

- To generate dashboards and other reports from the SMC and JEGC;
- To provide governance support and issues tracking;
- To proactively seek opportunities to leverage common horizontal and vertical needs of the GPS Entities;
- To monitor TELUS' performance under this Agreement;
- To receive and review monthly service level reports;
- To operationalize each of the service elements of this Agreement as to ensure that deliverables are delivered on time and within budget;
- To educate stakeholders through appropriate forums on the salient business aspects of the overall agreement;
- To achieve annual performance metrics for their particular service elements as set out in the Transaction Agreements and to calculate/track Eligible Spend and the Revenue Commitment;
- To assist in the preparation by TELUS of Annual Operating Plans and review each Annual Operating Plan once complete;
- To reviewing the annual review report described in section 18.6.1 of the main body of this Agreement;
- To determine the format and methodology for tracking and maintaining record of all changes made under section 9 of the main body of this Agreement;
- To annually review Service Levels, generally available information indicating industry-wide improvements in delivery of substantially similar services; and improved performance capabilities, including those associated with advances in technology and processes used to provide the Services in accordance with section 10.3 of the main body of this Agreement;

- To identify and manage impending change, including managing the introduction of new Available Services;
- To management the Price Book;
- To review any Chronic Failure Remediation Plans prepared by TELUS;
- To review and approve any direction delivered by the GPS Group requesting that a person in a Key Role be removed from such Key Role;
- To maintain effective and positive joint relations at the operational level;
- To resolve operational issues as quickly as possible;
- To escalate unresolved to the Strategic Management Committee;
- To undertake course corrections when necessary at the operational level to address needs and/or concerns within the framework of the Transaction Agreements; and
- To continuously looking for new ways to deliver business value, including identifying opportunities to improve efficiency and solve new business problems, including discussing innovative and emerging ideas and strategies relating to telecommunications and services similar to the Available Services, including the potential introduction of new technologies; and
- Any other roles and responsibilities of the OMC set out in the Transaction Agreements.

Reports to: SMC

Authority The OMC has authority to, among other things:

- Resolve Disputes escalated to the OMC in accordance with Dispute Resolution Process or otherwise; and
- Approval of any direction delivered by the GPS Group requesting that a person in a Key Role be removed from such Key Role.

Timing: The terms of reference for the OMC will set out a schedule for meetings of the OMC. In addition, either Co-Chair may call a meeting of the OMC at any time by providing at least 7 days prior notice to the other Co-Chair.

Organization: The terms of reference for the OMC are set by the SMC and will address, among other things, the timing and format for meetings of the OMC.

**EXHIBIT K-4
TELUS OPERATIONAL ESCALATION MATRIX**

Subject Matter	Contact
Trouble Report	National Client Service Centre (NCSA)
Scheduled, Change Window, and Emergency Releases	National Change Management
Billing/Invoices	Billing Representative
Order Processing	GBC Data Orders
After Hours and Emergency Orders	National Client Service Centre (NCSC)
Contract Issues and Amendments	Contract Manager / Relationship Executive
Alerts Escalation Levels	
1.	Service Assurance Account Manager
2.	Client Service Manager
3.	Director – Client Service Management
Service Order Escalation Levels	
1.	Service Order Triage Desk
2.	Business Manager
3.	Director – Customer Care
Billing and Service Performance Escalation Levels	
1.	Customer Service Representatives
2.	Business Manager
3.	Director – Customer Care
Contract Escalation Levels	
1.	Appropriate Governance Levels
2.	Operations Lead
3.	Relationship Executive
Conferencing Services Escalation Levels	
1.	Conferencing Services Help Desk
2.	Conferencing Services Team Manager
3.	Client Service Manager