

SCHEDULE 10

DISPUTE RESOLUTION PROTOCOL

1. The Contractor and the Province will meet to discuss and attempt to resolve the dispute.
2. If there is no resolution within 5 Working Days of this meeting, the Contractor will set out its position and proposed resolution in writing, stating the applicable articles of the Electrical Maintenance Services Agreement involved, and forward this to the local Regional Director.
3. The Regional Director, on behalf of the Province, must provide a written response within 10 Working Days of receipt of the Contractor's proposal. This response must either:
 - (a) Indicate agreement with the Contractor's position and proposed resolution; or
 - (b) Propose an alternative to the Contractor's resolution with written reasons for the alternative; or
 - (c) Reject the Contractor's resolution with written reasons for the rejection.
4. If the Province fails to provide a written response within this time period, the Contractor can immediately refer the matter to arbitration pursuant to Article 8, below.
5. If either Section 3(b) or 3(c) above occur, the Contractor may either accept the Province's response, or refer the matter to arbitration pursuant to Article 8, below.
6. Time limits may be extended by mutual written agreement, but extensions cannot exceed an additional 10 Working Days in total.
7. In the event the dispute is pursuant to a compensation adjustment resulting from a Change Order the parties, and the arbitrator if the dispute is arbitrated, will consider:
 - (a) service level changes relative to existing obligations under this Agreement;
 - (b) the practical effect of the change on the business operations of the Contractor, including direct cost increases and decreases and the indirect cost of a reduction in the Services without a corresponding reduction in fixed and overhead costs; and
 - (c) whether in the aggregate, a change in compensation will result in an improvement or deterioration in the Contractor's financial condition, and the provisions of this Agreement.
8. All disputes arising under this Agreement will first follow the escalation procedure set forth above, and if unresolved, then the dispute may be referred to and finally resolved by arbitration pursuant to the *Commercial Arbitration Act*, R.S.B.C. 1996, c.55 by written notice from one party to the other. The place of arbitration will be Victoria, British Columbia.