

## **SCHEDULE SS – CELLULAR PRICE REVIEW**

### **1. Introduction**

This Schedule describes the methodology that TELUS and the GPS Entities will use in a Cellular Price Review to determine whether the then current pricing of the Cellular Services complies with requirements set out in Section 16.4.1(a) of this Agreement. In particular, Sections 2 to 5, inclusive, of this Schedule set out the applicable methodology in respect of the Top Five Deals (see Section 16.4.1(a)(ii)(A) of this Agreement).

### **2. Salesforce.com Software Methodology for Top Five Deals**

- 2.1 TELUS' Salesforce.com Software (“**SFDC**”) will use the following ranking methodology for determining the Top Five Deals:
  - 2.1.1 the scope of a deal is defined by a single customer contract for which a total contract value is determined by reference to the cellular services procured by a single customer or customer group in a single or series of transactions;
  - 2.1.2 the total contract value for each deal is determined by a TELUS sales representative having responsibility for the deal basing such valuation on the estimated average revenue per user over the term of the contract;
  - 2.1.3 the total contract value is (a) entered into SFDC once an opportunity is identified, (b) adjusted accordingly if the contract value changes prior to execution of the contract, and (c) subject to a final adjustment to reflect the settled pricing before the contract is executed and the deal is subsequently closed in SFDC (the value is not adjusted thereafter);
  - 2.1.4 a query of the SFDC for all deals entered into by TELUS with customers in Canada within the prior Contract year by total contract value will result in ranking by dollar value of all such deals and such ranking will be adjusted to rank based on an average total contract value per year for each such deal (i.e. total contract value divided by the term, in years, of the contract).
- 2.2 Subject to the adjustments set out in this Schedule, the five deals with the largest total contract value, as determined in accordance with Section 2.1, will be the Top Five Deals for the purposes of the respective Cellular Price Review.

### **3. Rate Plan Comparison Methodology for Top Five Deals**

- 3.1 TELUS' Rate Optimisation Tool (“**RPO**”) will use the following pricing comparison methodology for comparing the Cellular Services Plans and iDEN (Mike) Service Plans (the “**Current Plans**”) against the rate plans (the “**Reference Plans**”) offered by TELUS in each of the Top Five Deals on a deal by deal basis:

- 3.1.1 for each deal, three Reference Plans for that deal comprised of one plan for each of low, medium and high usage will be selected for comparison so that:
  - 3.1.1.1 subscribers of Cellular Services are grouped for comparison, based on their usage, against the low, medium and high usage Reference Plans such that each group is comprised of subscribers for which the corresponding Reference Plan represents the lowest fees that would be payable in respect of the three Reference Plans used in the comparison against that deal, and
  - 3.1.1.2 the three Reference Plans represent the optimal three plans (from a lowest price perspective) for comparison against subscriber usage under this Agreement with such necessary adjustments being made to normalize for a three plan comparison if the deal being compared has a different number of plans;
- 3.1.2 the total Fees payable on a monthly basis (the “**Current Monthly Fees**”) in respect of each of the low, medium and high usage Current Plans will be determined by multiplying the applicable pricing of each such Current Plan by the corresponding aggregate subscriber usage in that category for those subscribers then on that Current Plan, using certain averaged billing data (the “**Applicable Billing Data**”) identified in Table 1, below;
- 3.1.3 the total fees payable on a monthly basis (the “**Reference Monthly Fees**”) in respect of each the low, medium and high usage Reference Plans if the subscribers of Cellular Services were subject to such Reference Plan (as determined in accordance with Section 3.1.1.1) will be determined by multiplying the applicable pricing of each such Reference Plan by the corresponding aggregate subscriber usage in that category, using the Applicable Billing Data;
- 3.1.4 for each deal, where the Current Monthly Fees are greater than the corresponding Reference Monthly Fees for a low, medium or high usage plan, the difference between such fees will be combined for a total amount (the “**Plan Adjustment Amount**”) representing the potential savings between the Fees payable under the low, medium and high usage Current Plans and the corresponding, potential fees payable under the low, medium and high usage Reference Plans.
- 3.1.5 the following Table 1 sets out (a) the components to be included by the RPO in the comparison of the Current Plans against the corresponding Reference Plans and (b) whether subscriber usage in respect of such component, as applicable, is to be an average of the three months preceding the Cellular Pricing Review to generate the Applicable Billing Data to be used in each such monthly comparison.

**Table 1**

<b>Component</b>	<b>Averaged for Purposes of Applicable Billing Data</b>
Telephone Number	No
Status of Telephone Number	No
Cellular Service Plan or iDEN (Mike) Service Plan Name	No
iDEN (Mike) Service Plan Name	No
Reference Plan Name	No
<b>Voice Plan Specific Components</b>	
Voice Service - Monthly Service Fee	No
Rate Plan \$	No
Average Peak phone minutes	Yes
Average weekend phone minutes	Yes
Average evening minutes	Yes
Total chargeable Airtime \$	Yes
Average of domestic LD minutes	Yes
Average of domestic LD \$	Yes
Average of US/Int roaming minutes	Yes
Average of US/Int LD \$	Yes
Average of US/Int roaming minutes	Yes
Average of US/Int roaming \$	Yes
Average of total roaming \$	Yes
<b>Data Plan Specific Components</b>	
Data Plan Cost	No
Average of total data usage (MB)	Yes

- 3.2 TELUS and the Administrator will mutually agree on and document any appropriate adjustments to Table 1 and the Applicable Billing Data:
- 3.2.1 where the Applicable Billing Data for the preceding three month period is not representative of the GPS Group's actual spend over a twelve month period (including for reasons of seasonality); or
  - 3.2.2 where there are any unique financial considerations or differences between the Current Plans and the Reference Plans.

#### **4. Additional Price Comparison Methodology for Top Five Deals**

- 4.1 For a pricing comparison of the Cellular Services against the cellular services offered in connection with the Top Five Deals (the “**Reference Services**”) for pricing matters not otherwise addressed in the comparisons of rate plans under Section 3,
- 4.1.1 the Cellular Services and the Reference Services, subject to Section 4.2, will be compared on a like for like basis, and
  - 4.1.2 the price for a service feature of the Reference Services to be compared to the corresponding service feature of the Cellular Services will be deemed to be the simple average of the price of such service feature in each of the Top Five Deals having such service feature,
- to determine an aggregate amount (the “**Other Adjustment Amount**”) based on the application of the pricing for the Reference Services (excluding rate plans) to the monthly average usage of the GPS Group for the three months preceding the Cellular Pricing Review (as may be adjusted to be representative of a past 12 month period).
- 4.2 To the extent there are any unique financial considerations or differences between the Cellular Services and the Reference Services, the Administrator and TELUS will mutually agree on and document the scope, methodology, relative comparisons and other process-related matters to account for such considerations and differences including in respect of:
- 4.2.1 service features of Cellular Services, including Current Plans, that do not exist or are substantially different from those offered in the Reference Services, including Reference Plans, or vice versa;
  - 4.2.2 credits, rebates, discounts, contra, early cancellation fees, and similar pricing arrangements in respect of the Cellular Services and the Reference Services, including in respect of the pricing of end user equipment; and
  - 4.2.3 customer benefits and benefits to TELUS not otherwise included in the foregoing, including using a SIF discount of 4.5% in respect of the benefit received by the GPS Group under this Agreement and including the volume of cellular services procured under BPS services agreements to the account of the GPS Group.
- 4.3 For certainty, the GPS Group may exercise its audit rights in accordance Section 19 of this Agreement to review and confirm or verify any aspect of this Schedule, including TELUS’ application of the methodology set out in this Schedule.

#### **5. Price Adjustment Mechanism for Top Five Deals Comparison**

- 5.1 The Plan Adjustment Amount and the Other Adjustment Amount will be summed together to determine the net difference between the monthly pricing for the

Cellular Services and the corresponding Reference Services and, to the extent the resulting amount is positive, such amount will be the basis for the price adjustment proposal contemplated by Section 16.4(d) of this Agreement in respect of monthly Fees for the Cellular Services, which may include a monthly credit provided on a per user basis.