

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

INSURANCE CORPORATION OF BRITISH COLUMBIA

and

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY

and

BRITISH COLUMBIA LOTTERY CORPORATION

and

WORKERS COMPENSATION BOARD OF BRITISH COLUMBIA

and

PROVINCIAL HEALTH SERVICES AUTHORITY

and

NORTHERN HEALTH AUTHORITY

and

INTERIOR HEALTH AUTHORITY

and

FRASER HEALTH AUTHORITY

and

VANCOUVER ISLAND HEALTH AUTHORITY

and

VANCOUVER COASTAL HEALTH AUTHORITY

dated

July 29, 2011

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MASTER AGREEMENT**

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**TELECOMMUNICATIONS SERVICE
MASTER AGREEMENT**

EFFECTIVE DATE: July 29, 2011

PARTIES:

- (1) TELUS COMMUNICATIONS COMPANY, a general partnership of TELUS Communications Inc. and TELE-MOBILE Company ("**TELUS**"); and, severally but not jointly,
- (2) (a) HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA, as represented by the Minister Labour, Citizens' Services and Open Government (the "**Province**"); and

(b) 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 (individually, including the Province, an "**Initial GPS Entity**" and collectively the "**Initial GPS Entities**").

RECITALS:

- A. TELUS is an established provider of telecommunications services in Canada; and
- B. On the basis of and in reliance upon the representations, warranties and covenants made by TELUS herein and in the other Transaction Agreements, the GPS Group desires to engage TELUS to provide certain telecommunications services, including long distance, conferencing, Internet access, cellular, voice and data services, to the GPS Group and to potentially engage TELUS to provide certain other telecommunication or related services to one or more GPS Entities in the future, in accordance with the terms and conditions of this Agreement.

IN CONSIDERATION of the mutual promises below, the parties agree as follows:

1. INTERPRETATIONS

1.1 Definitions

- 1.1.1 Unless otherwise provided in this Agreement (including in all Schedules), capitalized terms will have the meanings given to those terms in the attached Schedule A. In addition to the definitions contained therein, any capitalized terms defined elsewhere in this Agreement will have the meanings so given to them.

1.2 Interpretation

1.2.1 In this Agreement and each Service Order and Service Change Order:

- (a) section and schedule headings do not form part of it;
- (b) unless set out otherwise or the context otherwise requires, a reference to a section number in the main body of this Agreement or Schedule A refers to the main body of this Agreement and a reference to a section number in another Schedule (including Attachment or Exhibit thereto) refers to a section in such Schedule;
- (c) unless set out otherwise or the context otherwise requires, a reference to a Schedule or Attachment includes all attachments thereto;
- (d) use of the singular includes the plural and vice versa;
- (e) TELUS and each of the GPS Entities are sometimes referred to herein or therein individually as a “party”, and collectively as the “parties”, and, for clarity, are each a party to this Agreement;
- (f) any reference to an enactment or other law refers to it as may be applied, amended, substituted, consolidated, revised or re-enacted and in force at the relevant time and includes any subordinate legislation made under it;
- (g) a reference to time is to Pacific time unless set out otherwise;
- (h) unless otherwise specified, when calculating the period of time within or following which any act is to be done or any step taken, the date that is the reference date for starting the calculation of such period will be excluded and the final date for completing such act or step will be included;
- (i) time will be of the essence;
- (j) unless otherwise specified, all dollar references herein or therein are deemed to refer to lawful money of Canada; and
- (k) unless specifically provided otherwise herein or therein, any reference to “knowledge” of TELUS or any officer or other personnel of TELUS means the actual knowledge of such Entity without inquiry.

1.2.2 All references to “**GAAP**” refer, unless otherwise specified, to generally accepted accounting principles (including any successor principles) from time to time approved by the Canadian Institute of Chartered Accountants (or any applicable successor institute thereto) as at the date on which such calculation is made or required to be made, consistently applied. Unless otherwise provided in this Agreement, all accounting, record keeping and book keeping contemplated in this Agreement will be performed and carried out in a manner that is consistent with GAAP.

- 1.2.3 Nothing in this Agreement or any Service Order operates as a permit, license, approval or other statutory authority from the GPS Entity authorizing TELUS to provide the Services.
- 1.2.4 Nothing in this Agreement or any Service Order or Service Change Order, including any requirement for a GPS Entity to act reasonably, is to be interpreted as requiring the GPS Entity to act in any manner contrary to, or interfering with, the exercise by the GPS Entity of any prerogative, executive, legislative or statutory power or duty, including any statutes, regulations, the Policies, and any Treasury Board or executive directives, whether existing before, on or after the date this Agreement is made.
- 1.2.5 Except as indicated otherwise in a Service Order in accordance with section 1.3.3, the provisions of this Agreement will apply to all Service Orders, *mutatis mutandis*.
- 1.2.6 The provisions of this Agreement apply to tariffed Services provided under this Agreement, except to the extent they conflict with the applicable TELUS tariffs, including General Tariff CRTC 21461, Items 101-124, General Terms of Service as required by the CRTC to be applied to such tariffed Services in a Qualifying Bundle.

1.3 Priority

- 1.3.1 In the event of any conflict or inconsistency between the provisions of any of the following parts of this Agreement, then unless the parties expressly agree otherwise, the following descending order of priority will apply, to the extent (but solely to the extent) of such conflict or inconsistency:
 - (a) the applicable Change Order (to the extent it expressly states that it is intended to amend this Agreement and identifies the specific amendments), in reverse chronological order;
 - (b) the main body of this Agreement; and
 - (c) the Schedules and the Price Book, with equal priority.
- 1.3.2 In the event of any conflict or inconsistency between the provisions of this Agreement and the Strategic Relationship Agreement, this Agreement and the Strategic Relationship Agreement shall have equal priority, except where otherwise expressly provided in this Agreement and the Strategic Relationship Agreement.
- 1.3.3 As between TELUS and a GPS Entity who are party to a Service Order, in case of conflict between this Agreement, a Service Order between such parties and a Service Change Order between such parties, unless expressly stated to the contrary, the order of precedence in descending order shall be:
 - (a) this Agreement;
 - (b) the applicable Service Change Order (to the extent it expressly states that it is intended to amend the applicable Service Order and identifies the specific amendments), in reverse chronological order if there is a conflict between Service Change Orders; and

(c) the Service Order,

provided, however, that the terms and conditions of a Service Order or Service Change Order will prevail over the this Agreement to the extent the Service Order or Service Change Order, as the case may be, expressly refers to the provisions in this Agreement (on a specific section by section basis with identification of the subject matter of each section) over which it prevails, but only for the purposes of such Service Order or Service Change Order, as the case may be.

1.4 Schedules

1.4.1 The following are the Schedules attached to this Agreement, which are incorporated into this Agreement by reference and are deemed to be an integral part of this Agreement :

Schedule A: Definitions

Schedule B: **[Intentionally Deleted]**

Schedule C: **[Intentionally Deleted]**

Schedule D: **[Intentionally Deleted]**

Schedule E: **[Intentionally Deleted]**

Schedule F: Service Order and Service Change Order Requirements

Schedule G: **[Intentionally Deleted]**

Schedule H: Service Descriptions

Schedule I: General Project Acceptance and Other Requirements

Schedule J: Service Levels

Schedule K: Governance

Schedule L: Key Roles

Schedule M: Reporting

Schedule N: Problem and Incident Management Procedures

Schedule O: Subcontractors

Schedule P: Billing Format

Schedule Q: Privacy

Schedule R: Security Requirements

Schedule S: Installation Standards

Schedule T: **[Intentionally Deleted]**

Schedule U: Indemnification Matters

Schedule V: Limitation of Liability

Schedule W: **[Intentionally Deleted]**

Schedule X: **[Intentionally Deleted]**

Schedule Y: Designated Arbitrators

Schedule Z: **[Intentionally Deleted]**

Schedule AA: **[Intentionally Deleted]**

Schedule BB: Training

Schedule CC: **[Intentionally Deleted]**

Schedule DD: **[Intentionally Deleted]**

Schedule EE: Transition Project Testing and Milestone Acceptance

Schedule FF: Form of Transition Plan

Schedule GG: Form of Project Control Workbook
Schedule HH: Policies
Schedule II: High Level Overall Transition Plan
Schedule JJ: Potential Future Services
Schedule KK: TELUS Prior Agreements and Related Special Terms
Schedule LL: **[Intentionally Deleted]**
Schedule MM: Revenue Commitment
Schedule NN: **[Intentionally Deleted]**
Schedule OO: CE Network Transition
Schedule PP: **[Intentionally Deleted]**
Schedule QQ: School District On-Boarding
Schedule RR: Scheduled and Emergency Maintenance Management
Schedule SS: Cellular Price Review Methodology
Schedule TT: WAN and Local Access Spend Allocation Circuits List
Schedule UU: **[Intentionally Deleted]**
Schedule VV: Required Access and Use of Personal Information

1.5 Objectives of the Parties

1.5.1 The parties acknowledge and agree that the primary objectives and guiding principles of their contractual relationship under this Agreement are as follows:

- (a) the parties have a shared vision and joint interest in a highly connected British Columbia and will work towards the realization of the vision of the strategic relationship contemplated by the Transaction Agreements;
- (b) TELUS is entering into the Transaction Agreements which include certain benefits for the GPS Entities that are not traditionally included in commodity transactions in consideration of the GPS Entities providing the commitments set forth herein associated with the Revenue Commitment to TELUS and the potential to contract for other services in the manner set forth in the Transaction Agreements;
- (c) good faith cooperation by the parties in all matters necessary to enable the parties to meet and exceed their obligations under this Agreement and to meet or exceed the goals and objectives of the parties stated herein;
- (d) for TELUS to transition the GPS Entities from any current services provided by other service providers to the Core Services without impacting business operations of the GPS Entities;
- (e) to allow for the addition or removal of services within the scope of and in accordance with this Agreement, as well as the GPS Entities having the flexibility to make such adjustment to the Services as may be necessary or otherwise required as a result of any unforeseen conditions or circumstances as expressly provided for in this Agreement;
- (f) to allow TELUS to meet or exceed the GPS Entities' service delivery requirements and service levels as described in this Agreement with respect to

the Services, and where possible, to continually seek improvement in the delivery of all aspects of the Services;

- (g) together with the contractual relationships under the other Transaction Agreements, to provide the GPS Entities with demonstrable value for money through the application of the principles of openness, transparency and mutual value achievement where reasonably possible;
- (h) together with the contractual relationships under the other Transaction Agreements, to maximize the capacity and opportunity for investment in strategic long-term GPS Entities priorities;
- (i) to have a governance structure for the contractual relationship established by the Transaction Agreements which facilitates the active engagement of senior executives of the GPS Group and TELUS to drive strategic longer term decision making and outcomes;
- (j) to evolve the relationship between the GPS Entities and TELUS to a new more closely aligned level that positions technology as an enabler of strategic and business objectives through joint planning and the associated understanding of each party's strategic objectives;
- (k) to develop sufficient business processes to accommodate volume fluctuations inherent in the nature of the Services being delivered;
- (l) to have TELUS act as a source of "best practices" for the GPS Entities by having TELUS monitor and evaluate changes and trends in the telecommunications industry (including an evaluation of related available and emerging technologies and services), and to so inform the GPS Entities in respect thereof from time to time, all to the extent expressly provided in the Transaction Agreements;
- (m) to protect the security and privacy of the Personal Information of the GPS End Users in accordance with the Privacy Obligations so that there is no material risk that any such information can be accessed, used, disclosed or stored for any reason except as expressly contemplated in this Agreement; and
- (n) to provide, to the extent under the control of TELUS, for the transition of the Services (other than the Termination Services) to the GPS Entities or the Alternative Service Provider upon the expiry or earlier termination of this Agreement in a manner that is efficient, enables continued and where possible uninterrupted delivery of such Services during each such transition, and minimizes any adverse impact on the businesses of the GPS Entities in connection therewith.

The parties acknowledge and agree that the above noted objectives and guiding principles are not, as such, intended to create legal obligations for the parties, but instead, are intended to document the mutual primary objectives of the parties in entering into this Agreement. The specific provisions of this Agreement are to be interpreted according to their plain meaning; provided that where there is uncertainty concerning the meaning of any specific provision, then such provision is to be interpreted in light of the objectives and guiding principles set forth in this section.

1.6 General Scope

1.6.1 The scope of the Services for this Agreement is as follows:

- (a) the Services described as being in-scope for this Agreement in the provisions of this Agreement including, without limitation, the Core Services and the Available Services;
- (b) services similar or related to the Services described in paragraph (a) above, including any successor services, subject to the discretion of the GPS Entities to request the implementation of such services in accordance with the Change Process and other applicable terms of this Agreement; and
- (c) any future telecommunications-related services subject to the implementation of such services in accordance with the Change Process and other applicable terms of this Agreement.

1.6.2 The parties acknowledge and agree that the Available Services may be expanded by the parties after the Effective Date to include the following services subject to the terms and limitations set forth in this Agreement:

- (a) Network Management Services, as more particularly described in section 1 of Schedule JJ, on the terms, conditions and principles for provision of such services set out in section 1 of Schedule JJ; and
- (b) voice over internet protocol service (“**VoIP**”) and UC (collectively, the “**VoIP/UC Services**”), as more particularly described in section 2 of Schedule JJ, on the terms, conditions and principles for provision of such services set out in section 2 of Schedule JJ.

1.6.3 TELUS acknowledges and agrees that any additional services that are within the potential scope of Services are subject to incorporation into this Agreement through the Change Process, by a written instrument signed by or on behalf of the parties, or as may otherwise be specifically provided for under the terms of this Agreement. Unless otherwise specifically provided herein, the reference to such potential scope in this section 1.6 or elsewhere in this Agreement does not, in and of itself, give TELUS any automatic or implied right to negotiate, discuss, or incorporate any additional services under this Agreement within such potential scope, and such incorporation will be at the sole discretion of the GPS Group.

2. TERM OF AGREEMENT

2.1 Term

2.1.1 Unless terminated earlier or extended under another section, the term of this Agreement will commence on the effective date of this Agreement as set out on Page 1 of this Agreement (the “**Effective Date**”) and will continue in effect until all Service Tower Commitments have terminated or expired, when it shall terminate automatically by expiry (the “**Term**”).

- 2.1.2 The GPS Entities are giving no assurances whatsoever to TELUS, expressed or implied, that this Agreement will extend beyond the expiry or termination of all of the Initial Service Tower Commitments. TELUS specifically acknowledges and affirms that it has arranged its business affairs on the assumption that this Agreement may terminate, at the latest, upon the expiry or termination of all of the Initial Service Tower Commitments and that, subject to the payment of any applicable Termination Fees by the GPS Entities, the Core Services may be reduced or that this Agreement may be terminated in accordance with the terms of this Agreement.

3. CONTRACT TRANSITION

3.1 Transition of Prior Contracts with TELUS

- 3.1.1 Without affecting any right or obligation of a party under the TELUS Prior Agreements arising prior to the Effective Date, the TELUS Prior Agreements are hereby terminated and replaced effective the Effective Date by this Agreement and the Initial Service Orders executed concurrently with this Agreement, subject to the survival of any special terms and conditions as set forth in Schedule KK.
- 3.1.2 The record of Services maintained by TELUS pursuant to section 7.4.6 shall include all relevant information from the TELUS Prior Agreements.
- 3.1.3 TELUS hereby releases each GPS Entity from any termination fees or other amounts that would otherwise be payable by any GPS Entity to TELUS with respect to the termination of the TELUS Prior Agreement pursuant to section 3.1.1, unless otherwise specifically provided in Schedule KK. For certainty, nothing contained in this section shall release a GPS Entity from any obligation to pay service fees payable under such agreements accrued up to the Effective Date.

4. TRANSITION

4.1 Transition Services Generally

- 4.1.1 Except to the extent otherwise provided in this section 4, TELUS will take responsibility and accountability for the Transition, including ensuring all Transitioned Core Services are transitioned and fully operationally by their respective Implementation Dates.
- 4.1.2 TELUS will perform all required activities and other obligations in respect of the Transition that are necessary to complete the Transition in accordance with the terms of this Agreement and the Transition Plans, including ensuring that all Milestones set out in the Transition Plans are completed by the applicable Milestone Dates (the “**Transition Services**”).
- 4.1.3 TELUS agrees that:
- (a) during the Transition, TELUS will assign appropriate resources as reasonably required to complete the Transition;
 - (b) TELUS will work together with the GPS Entities to achieve all Milestones within the time periods (including the Milestone Dates) set out in the Transition Plans by complying with its obligations under the Transition Plans;

- (c) TELUS will undertake its obligations under the Transition Plans in a co-ordinated manner and use commercially reasonable efforts to minimize material disruption to the businesses and services of any of the GPS Entities; and
 - (d) it is committed to the full and successful implementation and completion of the Transition and shall promptly address any disagreement in a cooperative manner with any disputes dealt with in accordance with section 4.6.
- 4.1.4 Each GPS Entity will work together cooperatively with TELUS to assist TELUS with meeting its obligations under this section 4 to the extent required.

4.2 Transition Plans

- 4.2.1 Subject to the terms and conditions of this section 4, TELUS will conduct the Transition in accordance with transition plans prepared by TELUS and Approved by a GPS Entity or the Administrator, as applicable, acting reasonably, in accordance with this section 4.2, as such plans may be amended from time to time in accordance with section 4.2.5 (each, a “**Transition Plan**”).
- 4.2.2 TELUS will prepare the following Transition Plans with respect to each Transition-related Project set out in the High Level Overall Transition Plan (each, a “**Transition Project**”):
- (a) For each GPS Entity, a separate Transition Plan which covers the Transition Projects that are specific to such GPS Entity as set out in the High Level Overall Transition Plan; and
 - (b) For the GPS Group, a separate Transition Plan which covers the Transition Projects that are identified as being GPS Group Transition Projects in the High Level Overall Transition Plan.
- 4.2.3 Each Transition Plan will be prepared by TELUS, in consultation with the applicable GPS Entities, and will comply with the following requirements:
- (a) it will be consistent with, and address all matters set out in, the High Level Overall Transition Plan for the applicable Transition Project;
 - (b) it will incorporate the description of work required on the part of both TELUS and participating GPS Entities to implement the Transitioned Core Services, provided, however, that any work required to be performed by a GPS Entity will be structured as a GPS Dependency in accordance with section 4.2;
 - (c) it will define the project management elements and the supporting methodology used during the Transition such as the management of assumptions, constraints, GPS Dependencies, deliverables, Acceptance Criteria, Tested Deliverables, Milestones, risks, changes, actions, decisions, and issues;
 - (d) it will be substantially in the form attached as Schedule FF (Form of Transition Plan);

- (e) the Transition Plan for the GPS Group must be Approved by the Administrator, provided, however, that any subcomponents of such Transition Plan that are specific to a particular GPS Entity must be Approved by such GPS Entity; and
 - (f) a Transition Plan for a particular GPS Entity must be Approved by such GPS Entity.
- 4.2.4 Within 60 days after the Effective Date, TELUS will deliver the Transition Plan for the GPS Group to the GPS Group and each of the separate Transition Plans for the GPS Entities to the applicable GPS Entity for Approval. If TELUS has any issue with respect to the provision of Approval by a GPS Entity with respect to a Transition Plan, including the timing of any such Approval, the matter may be escalated by TELUS in accordance with section 4.6.
- 4.2.5 Notwithstanding the level of detail contained in a Transition Plan, the parties acknowledge that a Transition Plan may require modifications after it has been Approved. Any such modifications will be implemented in accordance with the change process set out in the Transition Plan rather than in accordance with the Change Process.
- 4.2.6 TELUS will track the progress of each Transition Project using a project control workbook, in the form attached as Schedule GG (Form of Project Control Workbook) (a **“TELUS Project Control Workbook”**).
- 4.2.7 The procedures, terms and conditions set out in Schedule EE will apply to the delivery, testing (including the performance of Acceptance Testing) and Acceptance of any Tested Deliverables and Milestones of each Transition Project.
- 4.2.8 In implementing the Transition Plans, TELUS shall, with respect to the Transitioned Core Services being transition (migrated) under the Transition Plans:
- (a) work co-operatively with the GPS Entities and their existing telecommunications service providers to minimize risk of delay, service interruption and business disruption to the GPS Entities; and
 - (b) complete each cut-over to an ordered Service from an existing telecommunications service, after Acceptance of the applicable Tested Deliverables and Milestones under Schedule EE, on-time as scheduled without delay caused by TELUS and without interruption to the GPS Entity and with no adverse impact on existing Service Levels due to the Transition and caused by TELUS.
- 4.2.9 The GPS Entities agree to make all reasonable efforts to enforce information and transition rights that they have with existing telecommunications service providers to facilitate TELUS' implementation of the Transition Plans.
- 4.2.10 It is anticipated that Transitioned Core Services as determined as of the Effective Date will change during the course of the Transition due to changing business and other requirements of the GPS Entities. Each GPS Entity shall have the right to change the Transitioned Core Services applicable to that GPS Entity subject to the change process outlined in the applicable Transition Plan for such services.

4.3 GPS Dependencies

- 4.3.1 Each Transition Plan may contain certain dependencies that TELUS has on one or more GPS Entities. To the extent that such dependencies are expressly listed in a Transition Plan 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 Agreement. Any changes to timelines under a Transition Plan will be managed under the process outlined in such Transition Plan.
- 4.3.2 If a GPS Entity fails to complete any GPS Dependency on or prior to the applicable GPS Dependency Target Date, then any obligation of TELUS identified in the applicable portion of the applicable Transition Plan 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 the Transition Plan as result of such failure by the GPS Entity; provided that TELUS:
- (a) notifies the GPS Entity in writing promptly of any such failure;
 - (b) will continue to use commercially reasonable efforts to meet the original deadline set out for such obligation; and
 - (c) if TELUS fails to notify the GPS Entity of such failure within ten (10) Business Days of first learning of it, TELUS will be precluded from subsequently citing the GPS Entity’s failure as a reason for TELUS’ own subsequent failure to perform.

4.4 Remedies for Failure to meet Implementation Dates

- 4.4.1 If TELUS fails to complete a Transition Project by its Implementation Date or meet any other Milestone for a Transition Project by its Milestone Date, any GPS Entity involved in such Project may escalate the issue in accordance with section 4.6.
- 4.4.2 TELUS will promptly notify the applicable GPS Entities in writing if it becomes aware that it will or that it is likely to fail to complete a Milestone set out in a Transition Plan 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 perform the Transition Services or deliver the Services in accordance with the Transition Plan and this Agreement, 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 and any other affected Milestones.
- 4.4.3 If TELUS fails to complete a Transition Project with respect to the transition to TELUS of Transitioned Core Services that are provisioned to the GPS Entities by a third party at the Effective Date (“**Third Party Transitioned Services**”) on or before the Implementation Date (as may be extended under section 4.3.2), the following remedies will apply:
- (a) the Fees for any Third Party Transitioned Services that have not been implemented by TELUS in accordance with the Transition Plan for such Project

shall not accrue until the date such Transitioned Core Services are implemented and Accepted unless such Transitioned Core Services are implemented (with all applicable Service Levels applying) and being used by the applicable GPS Entities, in which case the GPS Entities shall pay the applicable Fees for such Services; and

- (b) for any Third Party Transitioned Services not transitioned on or before the applicable Implementation Date for such services, TELUS will provide to each GPS Entity that was to receive such Transitioned Core Services a credit against Fees in an amount equal to the difference between what such GPS Entity must pay the third party to continue to provide such services and the Fees the GPS Entity would otherwise be paying TELUS had TELUS met such Milestone on or before its Implementation Date, until such Transitioned Core Services are implemented and Accepted by the applicable GPS Entities.

4.4.4 If any Transitioned Core Services other than Third Party Transitioned Services are not transitioned by the applicable Implementation Date for such services, the pricing for such services under this Agreement will, to the extent lower than the pricing under the applicable TELUS Prior Agreement, apply to the provision of such services and TELUS will provide credits against Fees to the extent required to provide any GPS Entity such lower pricing.

4.4.5 If TELUS fails to complete a Transition Project within 6 months of its Implementation Date, then the following will occur:

- (a) such failure will be escalated to the Operational Management Committee;
- (b) TELUS will promptly prepare a remediation plan to resolve such failure and will present such remediation plan to the Operational Management Committee; and
- (c) if approved by the Operational Management Committee, TELUS will implement such remediation plan.

4.5 Transition Costs

4.5.1 Other than the payment of the applicable Fees expressly set forth in a Transition Plan, in a GPS Entity approved project change requests or otherwise under this Agreement, TELUS is responsible for all of the costs incurred by TELUS (or its Subcontractors) for completing the Transition (including all associated Transition Services), including all direct and indirect costs incurred by TELUS (or its Subcontractors) in connection with the implementation of the Transition Plans, and the overall management of the Transition Plans.

4.6 Transition Governance and Transition-related Disputes

4.6.1 With respect to each Transition Project, TELUS and the applicable GPS Entities involved in the Transition Projects defined in the High Level Overall Transition Plan will, as of the Effective Date, each assign a prime contact. Promptly upon Approval of Transition Plan(s) related to such Transition Projects each of the GPS Entities will create a transition management team, comprised of its assigned prime contact and other members specified in the related Transition Plan for such Transition Project, who will be

appropriately dedicated to the implementation of the Transition Project . The guiding principles, responsibilities and meeting process for meetings between members of each such transition management team will be as set forth in the applicable Transition Plan.

- 4.6.2 As of the Effective Date, the GPS Group will assign a prime contact for the GPS Group, who will be responsible for assisting TELUS with the coordination of any aspects of the Transition that relate to multiple GPS Entities including oversight, issue identification and resolution and liaison with the TELUS Program Executive Director. Such role will remain in place until the Transition is complete. For clarity, such individual may, on a temporary or permanent basis, be the prime contact of the GPS Group assigned under section 4.6.1 with respect to Transition Projects that involve the entire GPS Group.
- 4.6.3 Any potential delays, including any missed or potentially missed Milestones, or circumstances or other issues that may adversely affect a Transition Project will be escalated in accordance with a Project specific governance process set out in the Transition Plan for such Transition Project (which shall be consistent with the governance process structure set out in the High Level Overview Transition Plan), rather than the Change Process or Governance Process, provided, however, that if such escalation does not address the issue to the satisfaction of the GPS Entity or TELUS or the issue involves more than one GPS Entity, the GPS Entity or TELUS may refer the issue to the Operational Management Committee and further escalate the issue in accordance with the Governance Process.
- 4.6.4 The prime contact roles, transition management teams and governance processes for a Transition Project will remain in place until the Transition Project is complete and for such other period as may be specified in the Transition Plan for such Project.
- 4.6.5 Any dispute with respect to a Transition Plan shall be dealt in accordance with the dispute resolution specified in such Transition Plan, provided, however, that any GPS Entity involved in the Transition Project under such Transition Plan or TELUS will be entitled to refer any such dispute to the Operational Management Committee and have the dispute resolved in accordance with the Governance Process if the GPS Entity or TELUS is having difficulty resolving the dispute using the dispute resolution process specified in such Transition Plan or if the dispute involves more than one GPS Entity.

5. TRANSITION TO CE SERVICES

5.1 Transition to CE Services

- 5.1.1 TELUS will transition the data Circuits used to provide the Initial Data Services to a new converged edge network architecture in order to replace the Initial Data Services with the CE Data Services in accordance with the terms and conditions set out in Schedule OO (the "**CE Transition**").

6. SERVICES

6.1 Services

- 6.1.1 Subject to any changes pursuant to section 9, during the Applicable Term, TELUS will provide to the GPS Entities, and the GPS Entities will obtain from TELUS, the following services from and after the Effective Date (or from and after such other date as indicated

in this Agreement, Service Order or Service Change Order), upon the terms and conditions set forth in this Agreement (collectively, the “**Services**”):

- (a) the Transition Services, as more particularly described in section 4 (Transition), from and after the Effective Date;
- (b) the Core Services;
- (c) all Work (including Projects) ordered pursuant to Service Orders and Service Change Orders approved by TELUS in accordance with section 7 and if applicable, section 6.4;
- (d) the Hardware and Software Procurement Services;
- (e) the CE Transition Services;
- (f) the Termination Services, as more particularly described, and within the times indicated, in section 32;
- (g) such other services or additional services as may be determined pursuant to the Change Process; and
- (h) all such other or additional services as set forth or otherwise described in this Agreement.

6.2 Core Services

- 6.2.1 Concurrent with the execution of this Agreement the GPS Entities shall each execute separate Service Orders with TELUS for the Core Services to be initially delivered by TELUS hereunder in accordance with section 7.1.1.
- 6.2.2 Commencing on the Effective Date TELUS shall provide the Core Services to the GPS Entities (subject to the phase in of the Services as contemplated as part of the Transition pursuant to section 4 (Transition)) in accordance with the Service Levels, the Service Descriptions, the Specifications and this Agreement.
- 6.2.3 Each GPS Entity shall not resell or otherwise make available the Services to any Entity, other than GPS End Users in the ordinary course of the operations of such GPS Entity (which includes, for greater certainty, outsourcing and similar type arrangements) and other British Columbia public sector bodies and their employees, contractors, agents, clients, customers and other users, without the prior written consent of TELUS, which consent shall not be unreasonably withheld; provided that if the Entity is in the primary business of the provision of telecommunication services, TELUS may withhold its consent for any reason.

6.3 Included or Inherent Services

- 6.3.1 The parties acknowledge that there are functions or tasks not specifically listed or described in this Agreement (including in the Service Descriptions) that are customarily required for the proper performance and provision of the Services (as the same may be improved, changed or transformed as contemplated under this Agreement), or as may

otherwise be required to perform the Services in a manner consistent with the performance thereof prior to the Effective Date. Without limiting the foregoing and subject to the provisions of this section, such functions or tasks will be deemed to be implied or included in the scope of the Services to the same extent and in the same manner as if those functions or tasks had been specifically described in this Agreement. Notwithstanding the foregoing, this section is not intended to expand the scope of the Services beyond the Services described in this Agreement, or to require a higher standard of Service delivery than that which is otherwise described in this Agreement.

6.4 Projects

6.4.1 TELUS and any GPS Entity may agree to undertake a Project from time to time. The parties agree that the following provisions shall, subject to any special terms and conditions with respect to certain special types of projects set out in the Strategic Relationship Agreement, apply to any new Project undertaken by a GPS Entity with TELUS:

- (a) Projects will be implemented under a separate Service Order in accordance with section 7, Change Order in accordance with section 9 or other amendment to this Agreement;
- (b) Notwithstanding section 7.5 (if the Project is implemented under a Service Order) and unless otherwise agreed by the applicable parties, the project management tools, procedures, terms and conditions set out in Schedule I will apply to each Project. Additional project management-related tools, procedures, terms and conditions may be agreed to by the parties undertaking a Project; and
- (c) The following pricing principles will apply to Projects (other than Projects funded in whole or in part through SIF under the Strategic Relationship Agreement):
 - (i) Projects will be priced on a time and materials rates basis using the professional labour rates set forth in the Price Book, a negotiated fixed price basis or combination of the foregoing;
 - (ii) TELUS will provide a detailed project budget, which includes project management services pricing and all other components, for each Project, provided, however, that such budget will not be required to include margin transparency;
 - (iii) the detailed project budget for a Project must be approved by the one or more applicable GPS Entities involved in the Project; and
 - (iv) Hardware, Software and Systems required for the Project that a GPS Entity wishes to acquire from or through TELUS will be acquired through the provision of Hardware and Software Procurement Services by TELUS and will be priced in accordance with the pricing for Hardware and Software Procurement Services.

6.5 Language of Services

6.5.1 TELUS will provide all of the Services in English.

6.6 Standard of Care

- 6.6.1 Unless specifically provided otherwise in this Agreement, TELUS will provide the Services under this Agreement using the standard of care of a reasonable service provider performing similar services in comparable circumstances.

6.7 Service Recommendations

- 6.7.1 As part of the Services, TELUS will, from time to time as it may deem appropriate, but not less frequently than annually, make recommendations to the Administrator for improvements to the Services based on changes and trends in the telecommunications industry and available new technologies, and implement any of such recommendations Approved by the Administrator in accordance with the terms of this Agreement including, as appropriate, the Change Process.

6.8 Quality Management

- 6.8.1 In providing the Services to the GPS Entities during the Term, TELUS will:
- (a) be responsible for implementing and carrying out continuous improvement and quality management for all of the Services;
 - (b) establish quality assurance programs that encompass continuous improvement of the Services in addition to an ongoing quality assessment of the Services; and
 - (c) maintain an ongoing focus on the satisfaction of the GPS Entities and the GPS End Users, by monitoring and evaluating trends that develop in the performance of the Services (as indicated through complaint processes or otherwise), and by making recommendations to the Administrator in respect thereof, and

such activities will be performed entirely by TELUS at its own expense and will not require the resources of the GPS Entities or the payment of any additional Fees without the Approval of the GPS Group.

6.9 Documentation

At all times during the Term, TELUS will keep all Documentation related hereto current in accordance with the provision of the Services, including, without limitation, ensuring that the Documentation reflects any changes as a result of the addition of, or modification to, Available Services under this Agreement or matters impacting Available Services. TELUS agrees to make copies of the Documentation available to any GPS Entity upon the reasonable request of any GPS Entity.

6.10 Knowledge Transfer

- 6.10.1 Where practicable, TELUS shall invite the appropriate GPS Entities and Administrator staff to attend relevant presentations, seminars, web broadcasts and other informational sessions held for TELUS personnel (other than TELUS internal seminars, broadcasts and sessions), including, without limitation, vendor presentations to TELUS personnel related to Services or any technology which may be applicable under this Agreement.

- 6.10.2 TELUS shall further provide all such training as specifically contemplated in Schedule BB.
- 6.10.3 Subject to Schedule BB, at the request of the Administrator or a GPS Entity, TELUS will provide the Administrator and the GPS Entities and their staff with information and general training sessions regarding any significant process or systems changes that may occur in respect of the Services throughout the Term.
- 6.10.4 For new Available Services implemented after the Effective Date or for informational or training requirements arising in connection with other changes, the Fees payable by the GPS Entity for such Service or change may include a component to cover costs for information or training requested under this section 6.10.

6.11 GPS Entity Retained Responsibilities

6.11.1 During the Full Term (and without limiting any other provisions of this Agreement regarding the responsibilities of the GPS Entities), the GPS Entities will remain responsible for and will retain control of the following:

- (a) setting all Policies and guidelines;
- (b) all media relations activities of the GPS Entities;
- (c) the exercise of powers for and on behalf of each GPS Entity; and
- (d) such other direct responsibilities as may be expressly contemplated in this Agreement.

6.11.2 The parties acknowledge that these responsibilities are vested solely in the GPS Entities. TELUS has no right or obligation to exercise any responsibilities of the GPS Entities set forth in section 6.11.1 and is not accountable for actions taken by the GPS Entities in respect of the same.

6.12 Non – Exclusivity

6.12.1 TELUS acknowledges and agrees that no rights or obligations of exclusivity are created under this Agreement for the provision of services or products within the scope of this Agreement, even if similar to those provided by TELUS hereunder and that nothing restricts any GPS Entity from entering into agreements with other service providers for the provision of services or products within the scope of this Agreement.

6.13 Environmental Alternatives

6.13.1 With respect to any material change proposed to any Services or any new Hardware, Systems or facilities or service proposed to be added to the Services under this Agreement, TELUS shall, to the best of its knowledge advise the GPS Entities of:

- (a) any materials in the Hardware, Systems or facilities classified as hazardous, toxic or restricted under Applicable Laws and any information that TELUS reasonably believes could have a material adverse effects on people or the environment that

could result from the use, exposure or disposal of the Hardware, Systems or facilities;

- (b) any new environmental benefits; and
- (c) any more environmentally sensitive alternatives in respect of Services unique to the GPS Entities that would not be significantly higher in price or different in compatibility with the performance and other requirements of this Agreement.

The parties agree that the sole remedy in the event of a breach of this section 6.13.1 shall be escalation through the appropriate level of the Governance Process.

7. SERVICE ORDERS

7.1 Initial Service Tower Commitments

- 7.1.1 Subject to section 7.1.2, concurrently with the execution of this Agreement, each GPS Entity will order the initial Core Services to be provided to it by TELUS by executing a separate Service Order for each Service Tower in which such Services are included (each, an **"Initial Service Tower Commitment"**).
- 7.1.2 Each of BC Hydro and Power Authority and British Columbia Lottery Corporation shall execute an Initial Service Tower Commitment for Cellular Services upon the expiration or termination of its existing agreement or agreements with TELUS with respect to cellular services.

7.2 STC Terms

- 7.2.1 For the initial Core Services contemplated by each Initial Service Tower Commitment, the term shall start on the Effective Date and end as follows, unless set out otherwise in this Agreement including, without limitation, early Cancellation in accordance with section 7.7, renewal pursuant to section 7.2.3 or extension under section 32 (**"Initial STC Term"**):
 - (a) with respect to an Initial Service Tower Commitment for Data Services, Voice Services, excluding Hosted IVR Services, or Cellular Services, the term shall end on the date that is 10 years after the Effective Date;
 - (b) with respect to an Initial Service Tower Commitment for Long Distance Services or Conferencing Services, the term shall end on the date that is three years after the Effective Date; and
 - (c) with respect to an Initial Service Tower Commitment for Hosted IVR Services, the term shall end on the date that is four years after the Effective Date,

provided, however, that the Initial STC Term for an Initial Service Tower Commitment for Cellular Services of BC Hydro and Power Authority or British Columbia Lottery Corporation will commence on the effective date of the Service Order implementing such Initial Service Tower Commitment.

- 7.2.2 For all new Core Services (in a then existing Service Tower) ordered by a GPS Entity after the Effective Date, the term shall start on the date that the Core Service is accepted and provided in accordance with the terms of this Agreement and end on the expiry of such GPS Entity's STC Term for the Service Tower in which such Core Service is included, unless set out otherwise in this Agreement, including, without limitation, early Cancellation in accordance with section 7.7.
- 7.2.3 A GPS Entity may renew an Initial STC Term for a Service Tower Commitment it has made (including all Service Orders and Service Change Orders comprising such Service Tower Commitment), on the same terms and conditions, for the following periods (each, a "**Renewal STC Term**"):
- (a) with respect to an Initial STC Term for Data Services, Voice Services, excluding Hosted IVR Services, or Cellular Services, one additional period of two years;
 - (b) with respect to an Initial STC Term for Long Distances Services or Conferencing Services, nine additional periods of one year each, provided, however, if any capital investment is required with respect to Conferencing Services at the time of a requested renewal of Conferencing Services, then the renewal shall be subject to mutual agreement of TELUS and such GPS Entity; and
 - (c) with respect to an Initial STC Term for Hosted IVR Services, two additional periods of three years followed by one additional period of two years; provided, however, that any such renewal shall be subject to mutual prior agreement of TELUS and the Province as to the Fees payable for such Hosted IVR Services as well as the applicable percentage (the "**IVR Renewal Termination Percentage**") for the purposes of determining the Fee payable in accordance with section 31.6.4 if and as applicable, which IVR Renewal Termination Percentage shall not exceed 50% and shall be determined in a manner such that the total cost of such Services for such Renewal STC Term, including upon exercise by the Province of its termination right under section 31.6.1, is consistent with the Pricing Principles,

by providing written notice to TELUS at least 30 days prior to the end of such Initial STC Term or then current Renewal STC Term, as the case may be. Each Renewal STC Term will continue until the end of the applicable renewal period specified above, unless terminated earlier in accordance with this Agreement.

7.3 Request For Quote

- 7.3.1 Any GPS Entity may request a quote for any Available Services or Project before it chooses to place a Service Order or Service Change Order, in which case TELUS shall use commercially reasonable efforts to provide the quote in accordance with the applicable Service Levels (if any), which will include all fees (whether one-time, recurring or time based) and estimated allowable expenses based on the Price Book or otherwise the Pricing Principles and TELUS' proposed Due Date taking into consideration applicable lead time objectives to install the Services set out in Schedule F. If the quote is accepted by the GPS Entity, then it shall issue a Service Order or Service Change Order (in accordance with section 7.4) referring to the quote, within the period set out in the quote.

- 7.3.2 In addition to provisions with respect to pricing and lead times, quotes from TELUS for Available Services or Projects may contain additional conditions, terms and other provisions provided that such provisions are consistent with this Agreement. Subject to section 1.3.3, to the extent that terms or other provisions provided in quotes from TELUS are inconsistent with this Agreement, such terms or provisions shall be deemed to be of no force or effect.
- 7.3.3 Where a GPS Entity disagrees with any amount or time period set forth in a quote then such disagreement shall be deemed to be an Expedited Dispute and the Price Book, the Pricing Principles and, to the extent applicable, the amount of hours and time that a reasonable vendor would require for such services will be part of the criteria for resolving such Dispute, provided, however, that if the total Fees quoted in the quote are under \$50,000, then, notwithstanding section 28.4, no party will be entitled to refer the Dispute to binding arbitration if not resolved by the Joint Executive Governance Committee.

7.4 Service Orders

- 7.4.1 Subject to any Service Tower specific requirements for Service Orders set out in Schedule F, a GPS Entity may order any Available Services (together with any related Work) or a Project from TELUS by executing and delivering to TELUS a Service Order that complies with the following requirements:
- (a) to be valid, a Service Order must substantially include the information required for a Service Order set out in Schedule F, including any applicable Service Tower specific required information set out in Schedule F;
 - (b) a Service Order may not cover Available Services in more than one Service Tower;
 - (c) to the extent that the Service Order contains terms, conditions or fees that varies terms, conditions or Fees in this Agreement, a statement that the Service Order shall supersede this Agreement with specific reference to such terms, conditions or Fees in this Agreement (on a specific section by section basis with identification of the subject matter of each section), as required pursuant to section 1.3.3 of this Agreement; and
 - (d) no Service Order with respect to a Service Tower covered by a Service Tower Commitment will have a Service Term that extends past the STC Term for such Service Tower Commitment and no other Service Order will have a Service Term that extends past the expiry of all of the STC Terms.
- 7.4.2 Subject to any Service Tower specific requirements for Service Orders set out in Schedule F, TELUS shall indicate its acceptance of a Service Order in writing or electronically and shall not be required to accept Service Orders outside of Business Hours unless placed on an expedited or emergency basis in accordance with section 7.4.5.
- 7.4.3 No Service Order for Available Services shall be rejected by TELUS unless:

- (a) the Service Order fails to comply with Service Order requirements expressly set forth in this section 7.4 (as may be modified with respect to a particular Service Tower as set out in Schedule F) in a material and substantial manner; or
 - (b) the Service Order requests that an Available Service be provided to a Site at which such Available Service is not available and is not required under this Agreement to be available provided, however, that the GPS Group may issue a Change Request to add a requirement that an Available Service be available at a Site in accordance with the Change Process.
- 7.4.4 TELUS shall indicate its acceptance or rejection (with reasons) of a Service Order in accordance with the Service Levels. Any Service Order acceptance shall contain:
- (a) all Fees payable for the applicable Services as such Fees are determined in accordance with this Agreement; and
 - (b) a Due Date that is acceptable to the GPS Entity for completing the Work and making the applicable Service available.
- 7.4.5 On an emergency basis, 24 hours a day, every day of a year, TELUS will accept and action any emergency Service Order issued by a GPS Entity subject to the following terms and conditions:
- (a) the GPS Entity will work with TELUS to define the scope of the emergency, create an action plan, determine time lines and identify if any dedicated Personnel (staff or representatives) or GPS Entity staff and representatives are required to fulfill the Service Order; and
 - (b) the implementation of an emergency Service Order and related Work may be subject to professional services Fees set out in the Price Book provided that such Fees are mutually agreed to by TELUS and the GPS Entity in the Service Order.
- 7.4.6 TELUS shall maintain a full and complete record of the Services provided by TELUS for each GPS Entity. Each GPS Entity may request full access to such record at any time in accordance with this Agreement.

7.5 Implementation of Service Orders

- 7.5.1 TELUS shall maintain a Service Order management centre (the “**Service Order Management Centre**”) which will:
- (a) be the single point of contact for each GPS Entity to access Personnel who will receive, initiate and escalate all Service Orders issued under this Agreement;
 - (b) receive Service Orders from GPS Entities;
 - (c) provide support to GPS Entities with respect to Service Orders, including responding to questions;
 - (d) co-ordinate TELUS’ field technical staff with other technical staff as may be designated by a GPS Entity;

- (e) contact the applicable GPS Entity Site contact prior to any Personnel or External Personnel arriving at a Site to perform Work;
 - (f) manage the interface with all Subcontractors in a manner that does not disrupt the Services that TELUS provides under this Agreement;
 - (g) subject to section 7.4.5, operate and be available to perform the foregoing obligations during Business Hours; and
 - (h) have a toll free telephone number, electronic mail address and fax number at which the Service Order Management Centre can be contacted by any GPS Entity.
- 7.5.2 Upon request by a GPS Entity, TELUS will use the electronic order System of such GPS Entity for the purpose of receiving, updating and accepting Service Orders issued by such GPS Entity to the extent requested, provided, however, that such GPS Entity provides TELUS with all necessary access to such System at no charge to TELUS. Any such integration of TELUS Systems with an electronic order System of a GPS Entity will be subject to the Change Process.
- 7.5.3 Subject to section 7.10, TELUS will perform initial installation, upgrade, rearrangement and other Work during Business Hours unless otherwise requested by a GPS Entity. If TELUS believes that it is necessary to perform any Work at a time other than during Business Hours, TELUS will make a written request to the applicable GPS Entity and will not proceed with any such Work outside of Business Hours until such work is Approved by such GPS Entity. TELUS will perform Work at all times including outside of Business Hours when requested to do so in a Service Order issued by a GPS Entity.
- 7.5.4 Service Orders, including Due Dates for Work to be done, will not be changed or amended by TELUS without the prior Approval of the GPS Entity.
- 7.5.5 TELUS will complete all Work described in an accepted Service Order or otherwise required in respect of a Service Order on the Due Date (unless otherwise scheduled in the Service Order or in accordance with this Agreement) and in accordance with all other requirements in the Service Order and this Agreement, including all applicable Service Levels.
- 7.5.6 Within three (3) Business Days of completing a Service Order, TELUS shall notify the applicable GPS Entity in writing confirming that the Work is complete and ready for acceptance by the GPS Entity. The GPS Entity will perform any necessary acceptance tests comparing the applicable Services to the acceptance criteria, including the Specifications for such Services. The GPS Entity shall notify TELUS that the Work and Services are accepted or, if they are not accepted, the specific Deficiency within ten (10) Business Days of receiving TELUS' written confirmation that the Work is complete.
- 7.5.7 Upon receipt of a Deficiency notice, TELUS will correct Deficiencies as soon as reasonably possible given the relative priorities of the GPS Entity and the importance of the Service being installed.
- 7.5.8 If the Deficiencies in the Work or Services are not corrected within a reasonable period of time pursuant to section 7.5.7 above then the GPS Entity may direct TELUS, in the

case of an installation, upgrade or rearrangement Deficiency, to replace, at no additional cost to the GPS Entity (unless otherwise agreed by TELUS and the GPS Entity), the Service with another service that will meet the Acceptance Criteria or the GPS Entity may, at its sole discretion, cancel the Service Order. For greater certainty, TELUS will not be entitled to compensation for Work where Deficiencies remain outstanding, whether or not the Service Order is cancelled in accordance with this section, until the GPS Entity has accepted the Work.

- 7.5.9 Upon the GPS Entity notifying TELUS in writing that it accepts the Work and Services or upon TELUS correcting all Deficiencies identified by the GPS Entity to the satisfaction of the GPS Entity, acting reasonably, the Service and Work shall be accepted. From and after such date, TELUS will provide, and the GPS Entity shall obtain from TELUS, the Service covered by the Service Order for the Fees set out in the Price Book in accordance with the terms and conditions of the Service Order, the Service Levels, the Service Descriptions, the Specifications and this Agreement.
- 7.5.10 For greater certainty, the GPS Entity will not pay to TELUS any portion of the Fees for any Work or Service requested in a Service Order, until such Work and Services has been accepted by the GPS Entity in accordance with section 7.5.9.
- 7.5.11 For greater certainty, this section 7.5 will not apply with respect to Projects, provided, however, that Work performed in connection with or as part of a Service Order that is not part of a Project may, at the sole discretion of TELUS, be organized as a project and conducted using operational project management practises of the parties. Any project management Services provided by TELUS in connection with any such Work (which, for the purposes of this section, excludes Projects) will be included in the price of such Work.

7.6 Service Change Orders

- 7.6.1 No amendment to any Service Order is valid unless made by a Service Change Order, unless set out otherwise in this Agreement.
- 7.6.2 To be accepted, Service Change Orders must substantially include the information set out in Schedule F for Service Change Orders, including any applicable Service Tower specific required information set out in Schedule F.
- 7.6.3 Service Change Orders shall be given, accepted and implemented upon the same terms as set forth in sections 7.4 and 7.5 for Service Orders.

7.7 Cancelling or Delaying Services Ordered Without Cause

- 7.7.1 Any GPS Entity may, without cause, through written notice with immediate effect, Cancel or delay any or all Services ordered in a Service Order before any ordering, design, engineering, construction or installation or other Work resulting in TELUS or a Subcontractor incurring actual costs has begun, in which case no Fees for the Services ordered or the Cancellation or delay shall be applied.
- 7.7.2 Any GPS Entity may, without cause, through written notice with immediate effect, Cancel or delay any or all Services ordered in a Service Order after ordering, design, engineering, construction or installation or other Work has begun, but before acceptance

of the Services, in which case the GPS Entity will be liable only for the actual cost of the following in respect of a full cancellation:

- (a) unsalvaged Hardware and materials specifically provided or used for the construction or installation;
- (b) engineering, labour and supervision expended prior to delivery of the written cancellation notice based on standard rates as set out in Price Book; and
- (c) any other direct unrecoverable expenses resulting from the construction, installation and removal work (including third party costs); and
- (d) in respect of delay, any direct unrecoverable expenses resulting from the delay.

7.7.3 Any GPS Entity may, without cause, through written notice, Cancel any or all Services ordered in a Service Order after acceptance of the Services in accordance with and subject to the terms and conditions of section 31.6. Such written notice may further initiate Termination Services in respect of such Cancelled Services in the manner set forth in section 32.

7.8 Cancelling with Cause

7.8.1 Despite any provision to the contrary, the GPS Entities will not be liable for any one-time or other fees or costs (including any Termination Fees) for Services Cancelled for material breach under section 31.3.1(e) or Chronic Failure and any such Cancellation is without prejudice to any rights or remedies the GPS Entity may have.

7.9 TELUS' Duty To Notify

7.9.1 If TELUS anticipates a risk that it will be delayed or will fail to perform under this Agreement, including in accordance with the terms of a Service Order, TELUS shall notify and give reasons to the applicable one or more GPS Entities.

7.10 Access To GPS Entity Sites

7.10.1 Upon reasonable notice, each GPS Entity will make reasonable efforts to allow TELUS, its Personnel and Subcontractors to have the right of access to the Sites owned or controlled by the GPS Entity at all reasonable times to the extent required for the purposes of TELUS fulfilling its obligations under this Agreement, provided that each Personnel or External Personnel has proper identification and has complied with the Security Obligations. Subject to the approval of the applicable GPS Entity, such approval not to be unreasonably withheld, TELUS will determine the process by which TELUS' employees, agents and contractors will obtain access to the Sites. For clarity, a GPS Entity can issue directions and authorizations that direct and authorize TELUS to access a Site in order to perform a Service without having to comply with particular requirements of this section (such as providing identification) as specified by the GPS Entity.

7.10.2 Subject to section 7.10.1, TELUS must make its own arrangements with third party building owners and lessors and other telecommunications service providers in order to provide Services to a Site and gain access to the Site for the purpose of installing and

maintaining Services, including obtaining all necessary consents and authorizations from such third parties. TELUS will promptly (and in advance of the applicable Due Date for the related Work) advise each applicable GPS Entity of any difficulties it is having in making any such arrangements. Each GPS Entity shall provide TELUS with all assistance in a timely manner as may reasonably be requested by TELUS in dealing with building owners and lessors in connection with TELUS gaining access to a Site or obtaining any necessary consents and authorizations from building owners in connection with providing Services to a Site. In the event that a GPS Entity does not provide such assistance, or having provided such assistance TELUS is unable to gain timely access to a building or required in-building facilities, the GPS Entity and TELUS shall in good faith negotiate appropriate changes to the Service Order or Service Change Order (as applicable) to reflect any delayed timeline or an agreed upon workaround.

7.11 Installation & Rearrangement Standards

- 7.11.1 In connection with the installation of Hardware, Software and Systems, TELUS is responsible for complying with the standards set out in Schedule S and all Applicable Laws including the laws, codes and standards set out in or contemplated by section 12.
- 7.11.2 Upon acceptance of a Service Order, but subject to the agreement of the Site owner (if not the GPS Entity issuing the Service Order), TELUS may install TELUS Equipment at Sites for purposes of fulfilling such Service Order in accordance with the installation standards set out in Schedule S. TELUS and the GPS Entity will work together to ensure that space is available at Sites to allow TELUS to install any such TELUS Equipment for such purposes.

7.12 Power

- 7.12.1 The GPS Entity shall be solely responsible for any cost associated with power required on Sites, including any cost associated with power backup, power conditioning and environmental conditioning Hardware or Systems required to operate any TELUS Equipment located on Sites.

7.13 Ownership and Risk of Loss

- 7.13.1 Any property that a GPS Entity supplies or allows TELUS to access, connect to or use under this Agreement shall remain the property of that GPS Entity and TELUS will be responsible for any loss, theft or destruction of, or damage to, any such property while it is in the possession or control of TELUS provided, however, that the GPS Entity will in all instances be responsible for any loss, theft or destruction of, or damage to, any Hardware or Systems while installed at a Site unless caused by the negligence or wilful misconduct of TELUS. Subject to the foregoing, TELUS will return any such property of a GPS Entity to that GPS Entity in similar condition, reasonable wear and tear excepted, upon that GPS Entity's request.
- 7.13.2 TELUS Equipment will remain the property of TELUS and the GPS Entity will be responsible for any loss, theft, destruction of, or damage to such equipment other than that occasioned by TELUS or its Subcontractors.

8. TECHNOLOGY CURRENCY AND CONTINUOUS IMPROVEMENT

8.1 Implementing Improved Technology

- 8.1.1 In the event that from time to time during the Term TELUS offers an alternate service or improved technology (including Hardware, Software or Systems) on a commercial basis to another customer in Western Canada that is superior to or more cost effective than a then current Available Service, technology (including Hardware, Software or Systems) provided to the GPS Group hereunder, TELUS shall notify the GPS Group that such alternative service, technology (including Hardware, Software or Systems) is available, including the pricing and infrastructure requirements related thereto as determined pursuant to the Change Process. If a GPS Entity is otherwise interested in substituting such alternative service for such then current Available Service, technology (including Hardware, Software or Systems) then the GPS Entity shall advise TELUS in writing setting out the specific service requirements of the GPS Entity, including the Sites affected. Where the Available Service, technology (including Hardware, Software or Systems) is available at the Sites requested, the matter shall be dealt with as a change pursuant to section 9.2.2 with TELUS making all reasonable commercial efforts to have such technology or service added as an Available Service hereunder pursuant to the Change Process.
- 8.1.2 Any GPS Entity interested in substituting an alternative service implemented as an Available Service pursuant to section 8.1.1 for any Service then being provided to it (if the Service then provided to it is not replaced as an Available Services through the Change Process), may order the alternative through a Service Change Order, on the terms and conditions for such Service as determined pursuant to the Change Process (as a change pursuant to section 9.2.2).
- 8.1.3 TELUS shall provide the Services using proven, current technology that will enable the GPS Group to take advantage of technological advancements and that will support the efforts of the GPS Group to meet and exceed the expectations of its GPS End Users. Without limiting the generality of the foregoing:
- (a) TELUS shall maintain its Network to levels that are consistent with Industry Standards; and
 - (b) TELUS shall implement any Network changes identified in the Annual Operating Plan and agreed upon by the parties.
- 8.1.4 Unless the GPS Group waives such requirement in writing in respect of a GPS Fiscal Year, TELUS will prepare and present to the GPS Group a report at the end of each GPS Fiscal Year as part of the preparation and presentation of the Annual Operating Plan to the Operational Management Committee, reporting on actions taken by TELUS during such GPS Fiscal Year relating to implementation of improved technology as contemplated in this section 8.1.

8.2 Service and Process Optimization

- 8.2.1 Upon the request of one or more GPS Entities, TELUS will provide reasonable assistance and support to such GPS Entities with respect to any effort or initiative (including changes implemented through the Change Process and Projects) by such

GPS Entities to reduce costs, improve efficiencies or improve the satisfaction of the GPS Entities in connection with this Agreement or to otherwise optimize the Services or processes related to the Services, whether such effort or initiative is based upon optimization analysis provided by TELUS in the Annual Operating Plan or otherwise. Such reasonable assistance and support provided by TELUS may include, to the extent reasonably required by one or more GPS Entities to pursue an identified optimization opportunity: (a) the use by GPS Entities of TELUS customer reporting tools that TELUS implements from time to time during the Term (e.g. CellAsyst); and (b) the provision by TELUS of usage and other data available through TELUS' Systems that relates to user groups, Sites or Services. Throughout the Term, the parties will continue to seek opportunities where optimization contemplated in this section 8.2 can be efficiently automated. Any request under this section 8.2 for TELUS to provide assistance and support will be subject to the Change Process to the extent such assistance and support involves any changes subject to the Change Process.

9. CHANGE

9.1 Ordinary Course Changes

- 9.1.1 The parties acknowledge and agree that the following changes in the operational activities of a GPS Entity which are related to the Services, where such changes, either on a single or aggregate basis, do not have a material impact on the delivery and performance of the Services or on the cost of providing the Services, as determined by TELUS acting reasonably, shall be ordinary course changes for the purposes of this section 9.1 ("**Ordinary Course Changes**"):
- (a) changes in suppliers and contractors of the GPS Group, or changes in Hardware, Software and Systems of a GPS Entity or GPS End Users;
 - (b) changes in the technology or business processes used by a GPS Entity;
 - (c) changes to the reporting, audit, inspection or similar requirements of a GPS Entity; and
 - (d) other similar operational changes of the GPS Entity.
- 9.1.2 The GPS Group or any GPS Entity may require TELUS to implement any Ordinary Course Change by written notice to TELUS of such change, and provided the change is technically possible and does not contravene Applicable Laws, TELUS shall implement the requested Ordinary Course Change, in which event the following provisions shall apply:
- (a) no formal documentation requesting such Ordinary Course Change such as a Change Request is required and the GPS Group or the GPS Entity, as applicable, may request such Ordinary Course Change by any form of written notice (including electronic forms of notice) to TELUS in the manner agreed to by the parties; and
 - (b) the parties shall cause a record of each such Ordinary Course Change to be maintained as contemplated in section 9.7.

9.2 Change Process

- 9.2.1 In addition to the Ordinary Course Changes, the parties acknowledge that certain changes may be required or desirable which exceed or are otherwise outside of the definition of Ordinary Course Changes or Service Orders. Such changes may include, without limitation, the following:
- (a) the addition or removal of Available Services;
 - (b) changes to a Service Level (including the addition or removal of Services Levels);
 - (c) a material change to the technology, Hardware, Software or Systems used in the performance of the Services;
 - (d) a permanent change that has a material impact on the delivery or cost of the Services;
 - (e) a change that has an material impact on or in respect of the Privacy Obligations;
 - (f) a change in the locations from where any of the Services are primarily performed; and
 - (g) any other change relating to the Services or this Agreement.
- 9.2.2 Either the GPS Group or TELUS may initiate the change process described in sections 9.2 to 9.7 (collectively, the “**Change Process**”) in connection with a change described in this section 9.2 by submitting to the GPS Group, if initiated by TELUS, or to TELUS if initiated by the GPS Group, a written notice signed by the initiating party or parties, which notice will include all relevant information reasonably required for the proper consideration of such change or for the commencement of the Change Process in respect thereof (each, a “**Change Request**”).
- 9.2.3 Following the delivery of a Change Request, the following will apply:
- (a) upon receipt of a Change Request from the GPS Group, TELUS will prepare a proposal (the “**Proposal**”) within ten (10) Business Days (or such longer or shorter period of time as agreed to by the parties), which Proposal will include a description of the impact of the proposed change on the following (to the extent applicable having regard to the nature of the proposed change):
 - (i) the costs of implementation;
 - (ii) the rights and obligations of the parties under this Agreement with respect to, or as a result of, the proposed change;
 - (iii) the Services;
 - (iv) the Service Levels;
 - (v) the Documentation and reporting obligations under this Agreement;

- (vi) any dedicated technology, Hardware, Software, Systems or operations of TELUS used in the Services or any technology, Hardware, Software, Systems or operations of the GPS Entities or any GPS End Users of which TELUS is reasonably aware;
 - (vii) an increase or decrease to the Fees payable under this Agreement, it being agreed that: (A) all changes will be taken into consideration including net savings realized by TELUS as a result of the Change Order; and (B) any change in Fees will be consistent with the Pricing Principles;
 - (viii) the Privacy Obligations; and
 - (ix) any other relevant matter related to this Agreement that will be materially impacted (both positively and negatively);
- (b) if requested by the GPS Group, the Proposal shall also include a privacy assessment of the collection, use, disclosure and retention of Personal Information and a threat and risk assessment (in such form as may be required by the GPS Entities) provided, however, that if any such assessments have a material cost impact on TELUS, the GPS Group will pay the costs of such assessments as part of the implementation costs payable by the GPS Group under this section 9.2;
 - (c) if TELUS initiates the Change Request, then TELUS will prepare and deliver a Proposal to the GPS Group within ten (10) Business Days (or such longer or shorter period of time as agreed to by the parties) following the initiation of the Change Request;
 - (d) the GPS Group will provide TELUS with a written response to the Proposal within ten (10) Business Days (or such longer or shorter period of time as agreed to by the parties) of receipt of the Proposal from TELUS, indicating the GPS Group's Approval of the Proposal, its rejection of the Proposal (indicating the reasons therefor), the terms of a counter proposal acceptable to the GPS Group or notice of additional time required by the GPS Group to consider the Proposal;
 - (e) any Proposal Approved by the GPS Group will constitute a Change Order, and will be implemented by TELUS in accordance with the particulars of the Change Order;
 - (f) TELUS will be required to respond to all Change Requests received from the GPS Group in accordance with the above timelines and otherwise in a prompt manner and prepare a Proposal in respect thereof;
 - (g) TELUS will not reject a Change Request initiated by the GPS Group unless:
 - (i) TELUS is unable to make the changes contemplated in the Change Request as a result of technical impediments that are commercially unreasonable to overcome;
 - (ii) the Change Request would require TELUS to breach an Applicable Law;

- (iii) the changes contemplated in the Change Request are not supported by a reasonable business case for TELUS, which shall be consistent with the Pricing Principles and based on the aggregate market impact for TELUS, excluding any impact to other Services provided by TELUS under this Agreement;
- (iv) the changes contemplated in the Change Request would require a change to standards in TELUS' network used to support the Services;
- (v) the changes contemplated in the Change Request would require an adverse change to TELUS' security requirements supporting the Services; or
- (vi) there are circumstances associated with the Change Request that TELUS demonstrates would require TELUS, after making commercially reasonable circumvention efforts, to introduce the same changes contemplated in the Change Request into the general market place in a manner contrary to TELUS' corporate strategy,

(each an "**Adverse Impact**").

TELUS will provide the GPS Entities with a written explanation of any Adverse Impact stating in detail the particulars of the Adverse Impact (where TELUS is claiming an Adverse Impact described in paragraph (iii) above, sufficient information to show how TELUS established its business rationale) and suggesting reasonable alternatives or workarounds (to the extent possible) for consideration by the GPS Group in respect thereof; and

- (h) if the parties disagree on any matter relating to the implementation of a Change Request including whether an Adverse Impact applies then the matter will be treated as an Expedited Dispute, subject to the time period in section 28.4.1(b)(ii) being replaced with 30 calendar days and the time period in section 28.4.1(b)(iii) being replaced with 7 calendar days, to be resolved pursuant to the Dispute Resolution Process.

9.3 Change Request Impact on Fees

If a Change Request has an impact on the Fees that may result in either an increase or decrease to the Fees, then the parties will determine any increase or decrease to be made to the Fees in a manner consistent with the Pricing Principles.

9.4 Change Request Impact if Adding New Available Service

9.4.1 TELUS acknowledges and agrees that where new services are added to the Available Services pursuant to the Change Process:

- (a) the Privacy Obligations may need to be expanded or otherwise modified, as required by the GPS Group, if the provision of the new service involves the collection, access, use, storage or handling of Personal Information by TELUS in a manner, including volume, that is materially different than the existing Available Services; and

- (b) the new services may require new or updated Documentation and additional reporting requirements.

9.5 Mandatory Changes

9.5.1 The GPS Group may require TELUS to implement a Change Request before it has become a Change Order in situations where the parties agree that due to the urgency of the circumstances, including extraordinary time constraints, the parties are unable to use or fully complete the processes set forth in section 9.2; provided, however, that the implementation of the Change Request would not result in an Adverse Impact (each a **"Mandatory Change"**). Where there is a dispute as to whether implementation of the Change Request would result in an Adverse Impact, TELUS will provide the GPS Entities with a written explanation stating in detail the particulars of its objections and suggesting reasonable alternatives or workarounds (to the extent possible) for consideration by the GPS Group. If the parties continue to disagree after TELUS has provided such explanation, then the matter will be treated as an Expedited Dispute to be resolved pursuant to the Dispute Resolution Process to determine if the Change Request would result in an Adverse Impact.

9.5.2 The GPS Group may require TELUS to implement a Mandatory Change by the delivery of a written request (each, a **"Mandatory Change Request"**) to TELUS, in which case the following provisions will apply:

- (a) the Mandatory Change Request will comply with the requirements of section 9.2;
- (b) the Approval or agreement of TELUS to the Mandatory Change Request is not required;
- (c) the Mandatory Change Request will immediately become a Change Order for the purposes of section 9.2 upon the issuance by the GPS Group, and TELUS will implement the Mandatory Change following receipt of the Mandatory Change Request from the GPS Entities, as soon as reasonably practicable to do so;
- (d) if, as a result of the Mandatory Change, the Fees are to be increased, decreased or otherwise changed, or any Service Levels, time frames, Privacy Obligations, other terms and conditions of this Agreement or Services will be impacted, and a determination must be made regarding the particulars of such increase, decrease, change or impact, then the following procedures will apply:
 - (i) forthwith after receipt from the GPS Group of a Mandatory Change Request in respect of a Mandatory Change, TELUS will provide the GPS Group with its proposed adjustment to the Fees and any impact on Service Levels, time frames, Privacy Obligations and Services, in all cases with supporting information, including with regard to any increase or decrease to the Fees (the **"Impact Assessment"**);
 - (ii) forthwith after the GPS Group has received and reviewed the Impact Assessment from TELUS, the GPS Entities will, acting reasonably, and after due consideration of the proposed Impact Assessment, and by separate written notice to TELUS, set the adjustment to the Fees or such other adjustment or change to the Service Levels, time frames, Privacy

Obligations, other terms and conditions of this Agreement and Services, which adjustment or change will take effect immediately with retroactive effect to the date of the implementation of the Mandatory Change, to the extent applicable under the circumstances;

- (iii) if TELUS has a Dispute with respect to such adjustment or change, then the Dispute will be settled as an Expedited Dispute pursuant to the Dispute Resolution Process; and
- (iv) the adjustment or change determined by the GPS Group will apply until any Dispute in respect thereof has been resolved between the parties, whereupon the parties will make such adjustments as may be necessary to give effect to the resolution of the Expedited Dispute, retroactive (to the extent possible) to the date of the implementation of the Mandatory Change giving rise to such Expedited Dispute;
- (e) the undisputed portion of any adjustment to Fees as set forth in the Impact Assessment will be paid by the GPS Entities with any adjustment to Fees subject to any Dispute being payable upon resolution of the Expedited Dispute, as indicated in its Mandatory Change Request issued with respect to the Mandatory Change or as may otherwise be agreed to by the parties in writing or determined in the settlement of an Expedited Dispute in accordance with paragraph (d)(iii) above; and
- (f) the parties will cause a record of each Mandatory Change and Mandatory Change Request to be maintained as contemplated in section 9.7.

9.6 Change Orders

- 9.6.1 A Change Request or a Mandatory Change Request will become a “**Change Order**” when the requirements of the procedures to consider such Change Request or Mandatory Change Request set out in this section 9 have been satisfied, and the Change Request or Mandatory Change Request is Approved by the parties, where such Approval is required pursuant to this section 9.
- 9.6.2 The parties will use commercially reasonable efforts to minimize disruption to the delivery of the Services and to the business operations of the GPS Entities and the GPS End Users as the result of the implementation of a Change Order arising from a Change Request or a Mandatory Change Request. The cost of implementing a Change Order will be borne as set out in the Change Order or as otherwise provided in this Agreement.
- 9.6.3 If the parties proceed with a Change Order (whether as the result of a Change Request or a Mandatory Change Request), then the Change Order will constitute an amendment to this Agreement including the relevant Schedules to this Agreement. From and after the effective date of the implementation of a Change Order, this Agreement will be interpreted as amended by the Change Order, and this Agreement, as so amended, will continue in full force and effect for the remainder of the Full Term.

9.7 Record of Changes

- 9.7.1 The GPS Group and TELUS will jointly maintain an accurate and complete record of all changes contemplated in this section 9 including all Ordinary Course Changes, Change Requests, Mandatory Change Requests, Mandatory Changes and Change Orders. Such record may be maintained in such form as the parties may agree pursuant to the Governance Process, including by way of a server-based record accessible by all parties. Each party will cooperate to make corrections to such records as any other party may reasonably request to ensure that the record of all changes is accurate and complete, in all material respects, at all times throughout the Full Term.

10. SERVICE LEVELS

10.1 Overview of Service Levels

- 10.1.1 Subject to the specific and more detailed provisions of this section 10 and those additional provisions set forth in Schedule J, and any higher standard or level of performance otherwise required in this Agreement which may be applicable in the circumstances, TELUS will perform the Services throughout the Term and thereafter pursuant to section 32 (collectively, the “**Full Term**”) or other Applicable Term, as the case may be, to a standard and level of performance which is equal to, or greater than, the Service Levels and for those Services which TELUS was providing immediately before the Effective Date, to a standard and level of performance which is equal to, or greater than the standard and level of performance for such Services immediately before the Effective Date. For greater clarification, the provisions of this section will apply to all of the Services, including those portions of the Services that are not specifically measured or otherwise monitored through the use of Service Levels.

10.2 General Compliance

- 10.2.1 The parties acknowledge and agree that:

- (a) TELUS will perform the Services throughout the Applicable Term to a standard and level of performance which is required in order for TELUS to meet or exceed the Service Levels;
- (b) the Service Levels set out in this Agreement, as may be amended from time to time in accordance with this Agreement, are intended to be baseline performance standards and levels for the delivery and performance of the Services;
- (c) Service Levels in respect of Projects, if any, will be mutually agreed to by TELUS and the applicable GPS Entities on Project by Project basis;
- (d) during the Term, TELUS will identify ways to improve or increase the Achieved Service Levels including, without limitation, continually monitoring and evaluating changes and trends in the telecommunications field of operations and monitoring and evaluating new and available technologies and service delivery processes and strategies that are applicable to the Services;
- (e) during the Term, TELUS will use commercially reasonable efforts to continually improve the quality of the Services and the Achieved Service Levels in a manner

consistent with the terms and intent of this Agreement, taking into account the cost of such improvement as compared to the benefit to be derived therefrom; and

- (f) any improvements in the Achieved Service Levels or performance standards and levels achieved by TELUS in providing the Services, whether or not as part of any progressive improvement requirements contemplated in this Agreement, will not result in an increase in the Fees payable under this Agreement unless otherwise Approved by the GPS Group.

10.3 Changes to Service Levels

10.3.1 TELUS acknowledges that the establishment of Service Levels is a matter of fundamental importance for the GPS Entities. TELUS will not agree or purport to agree with any GPS End Users or other Entity, whether in its own right or purportedly as agent for and on behalf of the GPS Group, to amend, change or modify in any manner any of the Service Levels without the Approval of the GPS Group. Notwithstanding the foregoing, the parties acknowledge and agree that TELUS and a GPS Entity may, pursuant to section 9, amend, change or modify Service Levels solely in respect of Service which such GPS Entity is then receiving or TELUS and a GPS Entity may agree to unique Service Levels for such GPS Entity as set forth in Schedule KK, as amended by agreement of TELUS and such GPS Entity, without the Approval of the GPS Group.

10.3.2 The parties acknowledge and agree that Service Levels are intended to be comprehensive, but not all inclusive, and accordingly, it is the intention of the parties that during the Full Term the parties may establish different or additional Service Levels in respect of any of the Services pursuant to the Change Process. On an annual basis during the Term, and pursuant to the Governance Process, the parties will jointly review the following:

- (a) the then-current Service Levels (including ensuring that such Service Levels continue to comply with the guiding objectives and principles for Service Levels set forth in Schedule J);
- (b) generally available information indicating industry-wide improvements in delivery of substantially similar services; and
- (c) improved performance capabilities, including those associated with advances in technology and processes used to provide the Services.

10.3.3 On the basis of such review noted above, the parties will discuss whether any of the Service Levels will be adjusted. Any such adjustment will be subject to the Change Process or as otherwise agreed by the parties. For greater certainty, the At Risk Amount will not be adjusted as part of the annual review process described herein.

10.3.4 The GPS Group acknowledges and agrees that, with respect to any Service Level for a new service added to this Agreement pursuant to the Change Process, the GPS Group will consider a burn-in period before such Service Level will become effective, not to exceed six months (except with respect to the CE Services) from the date TELUS commences to provide the new service where there is a material level uncertainty with respect to what level of service performance TELUS can achieve with respect to the new

service and provided that the GPS Group is provided with a financial remedy in the event that the performance of the new service is materially below Industry Standards (unless otherwise agreed by the GPS Group).

10.3.5 Any additional Service Levels will be developed in accordance with principles set out in Schedule J.

10.4 Service Plan

10.4.1 TELUS and each GPS Entity pursuant to the Governance Process will jointly prepare an annual service plan (the “**Service Plan**”) that will be used to ensure that the Services are effectively provided. The Service Plan will consist of content as jointly determined by TELUS and each GPS Entity and will include such content as set forth in Schedule J.

10.4.2 The first Service Plan for each GPS Entity will be prepared by March 31, 2012. Thereafter, Service Plans for each subsequent GPS Fiscal Year will be prepared no later than the commencement of such GPS Fiscal Year. Each Service Plan will be updated quarterly by TELUS and the applicable GPS Entity pursuant to the Governance Process. Any dispute with respect to preparation or updating of the Service Plan may be escalated pursuant to the Dispute Resolution Process.

10.5 Monitoring

10.5.1 From and after the Effective Date, TELUS will establish and maintain in place, at all times, appropriate policies and procedures to monitor and evaluate the achievement of the Service Levels during the applicable measurement periods, including the maintenance of an electronic service level log (which as of the Effective Date will be the web portal known by the parties as the “CIO Portal”) available to the GPS Entities 24 hours a day, every day of the year, in order to permit TELUS, and the GPS Entities (as applicable), to:

- (a) evaluate and monitor Achieved Service Levels (reactively or proactively, as applicable);
- (b) satisfy the reporting obligations under this Agreement;
- (c) respond to inquiries from any GPS Entity and any of its employees, contractors, agents regarding TELUS’ performance of the Services;
- (d) assist the GPS Entities in responding to inquiries from GPS End Users regarding TELUS’ performance of the Services; and
- (e) confirm and verify Achieved Service Levels in respect of any Service from time to time upon reasonable notice (with the GPS Group acknowledging that some Service Levels can only be calculated on a monthly basis).

10.5.2 From and after the Effective Date, and without limiting the application of section 10.5.1 and subject to section 6.1.4 of Schedule J, TELUS will prepare and maintain records and reports summarizing its Achieved Services Levels and providing the particulars of any failure of TELUS to meet a Service Level, organized by Service type (to the extent possible) and in such form and content as the GPS Entities may require. For greater

clarification, any reports regarding the failure of TELUS to meet a Service Level will include detail regarding the particulars of the failure, a description of the measures taken or to be taken by TELUS to rectify and remedy the failure, and the timeline in which such measures were or are expected to be taken by TELUS, in order to allow the GPS Entities to:

- (a) evaluate the consequence of such failure;
- (b) communicate with or respond to the applicable GPS Entities customers or other GPS End Users that received the Service that failed to meet such Service Level; and
- (c) work with TELUS to rectify and remedy the consequence of such failure and to prevent future failures to meet such Service Level.

10.5.3 TELUS will provide reports as contemplated in section 10.5.2 to the GPS Entities (other than reports produced on an ad hoc basis by Ad Hoc Reporting Tools and Performance Monitoring Tools) at the frequencies and in accordance with the applicable reporting requirements set out in Schedule M, unless sooner requested by the GPS Entities from time to time in accordance with and subject to the Change Process.

10.6 Problem Alert and Escalation Procedures

10.6.1 In order to facilitate the ability of the parties to quickly address, mitigate or otherwise deal with an Incident TELUS will comply with the Incident and Problem alert, escalation and management procedures as set forth in Schedule N (collectively, the “**Problem and Incident Management Procedures**”).

10.7 Operational Relationship Manager

10.7.1 TELUS agrees that it will appoint an operational relationship manager (i.e. Operations Lead) to ensure TELUS meets or exceeds the Service Levels. Such position will be deemed to be a Key Role for the purposes of this Agreement.

10.8 Service Level Failures

10.8.1 If TELUS fails to meet any Service Level (a “**Service Level Failure**”) for which a remedy is expressly provided in this Agreement and which failure is not otherwise excused under this Agreement or Schedule J, then the GPS Entities will be entitled to such remedies, including as set forth in Schedule J. The provisions of Schedule J provide only partial compensation for the damage that may be suffered by the GPS Entities as a result of a Service Level Failure. Accordingly, payment or application of any Service Level Credit pursuant to the provisions of Schedule J is without prejudice to any entitlement that the GPS Entities may have to damages or other remedies under this Agreement, at law or in equity, including injunctive relief (to the extent available), as well as to the following:

- (a) where contemplated by section 10.9 or Schedule J, the Cancellation of the Service in respect of which there was Service Level Failure from the Services to be provided by TELUS pursuant to this Agreement, and an appropriate consequential reduction in the applicable Fees pursuant to the Change Process

and a reduction in the Revenue Commitment pursuant to section 2 of Schedule MM; and

- (b) a claim by the GPS Entities against TELUS, except that any damages the GPS Entities are entitled to as a result of a Service Level failure shall be reduced by any Service Level Credits paid.

10.8.2 A failure to meet a Service Level which does not give rise to a Chronic Failure or an express termination in Schedule J will not give rise to a right of the GPS Entities to terminate this Agreement, but will give rise to rights and remedies of the GPS Entities in respect of defaults generally in accordance with this Agreement including, without limitation, the provisions of this section 10.8 and, if applicable, the right to Service Level Credits in accordance with the provisions of Schedule J.

10.9 Chronic Failure

10.9.1 TELUS agrees that in addition to the obligations otherwise set forth in this section 10, it will immediately prepare a remediation plan (the “**Chronic Failure Remediation Plan**”) in the event that it:

- (a) fails to meet or exceed fifty percent (50%) of the total number of Service Levels in a Service Level Group in respect of the performance of Services for a GPS Entity for four (4) or more times in any six (6) month period; or
- (b) fails to meet a particular Service Level in respect of the performance of Services for a GPS Entity for three (3) or more consecutive times or for four (4) or more times in any twelve (12) month period,

(each a “**Chronic Failure**”).

10.9.2 Upon completion of the Chronic Failure Remediation Plan, TELUS will promptly provide such Chronic Failure Remediation Plan to the GPS Group for its review which Chronic Failure Remediation Plan will include all necessary steps to ensure that a Chronic Failure does not occur. TELUS will incorporate any changes reasonably suggested by the GPS Group with respect to such Chronic Failure Remediation Plan and thereafter TELUS, and if applicable the GPS Entity, will implement the steps set forth therein as soon as reasonably possible in order to remedy the Problem causing the Chronic Failure.

10.9.3 Any Dispute with respect to such Chronic Failure Remediation Plan (including with respect to incorporation of changes reasonably suggested by the GPS Group or steps necessary to ensure that a Chronic Failure will not occur) will be deemed to be an Expedited Dispute. In determining an Expedited Dispute, the Designated Arbitrator will take into consideration prior breaches and failures by TELUS or, if applicable, actions or inactions of the GPS Entity that are related to the failure giving rise to the Expedited Dispute.

10.9.4 TELUS will pursuant to the Governance Process promptly present such Chronic Failure Remediation Plan and the circumstances giving rise to such Remediation.

- 10.9.5 Where TELUS fails to comply with its Chronic Failure Remediation Plan, then such failure will be escalated in accordance with the Governance Process.
- 10.9.6 If a Chronic Failure is not excused pursuant to section 10.10, and such failure has not addressed to the satisfaction of such GPS Entity after having been escalated in accordance with this section 10, such GPS Entity may, within 60 days after such failure, elect to without penalty (including Termination Fee or obligation to pay a Termination Fee or any future Fees in respect of such Cancelled Service) or any additional remedy for TELUS (including any right of termination):
- (a) Cancel and remove such Service from the Services to be provided by TELUS to such GPS Entity pursuant to this Agreement, and
 - (b) purchase services to replace the Cancelled Services from an Entity that is not TELUS.
- 10.9.7 Upon such Cancellation and removal under section 10.9.6, the Revenue Commitment will be reduced on a permanent basis by an amount equal to the Annual Value of the Cancelled Services in accordance with Schedule MM.

10.10 Excused Performance

- 10.10.1 TELUS will not be responsible for a failure to meet one or more Service Levels, and will not be required to pay any associated Service Level Credits to the extent and only to the extent such failure is directly attributable to any of the following and not due to a failure of TELUS to perform its obligations under this Agreement (each an “**Excused Event**”):
- (a) components (Hardware, Software, network and maintenance) including commercial power, facility, application and GPS End User controlled problems, for which a GPS Entity is operationally and administratively responsible;
 - (b) reprioritization of tasks to be performed by TELUS where TELUS has notified the GPS Entity in advance and obtained approval from the applicable GPS Entity that such reprioritization will cause TELUS to miss such Service Level;
 - (c) Labour Disruptions and circumstances that constitute a Force Majeure Event provided that TELUS complies with its obligations in section 29;
 - (d) planned outages within Change Windows as a result of Scheduled Network Changes implemented in accordance with Schedule RR;
 - (e) a GPS Entity failing to provide timely access to TELUS and its Subcontractors to any TELUS facilities located at a Site of such GPS Entity for the purposes of installing, maintaining, repairing or upgrading such facilities; or
 - (f) damage to, or unauthorized tampering with, TELUS Equipment located at a Site by a GPS Entity or its contractors.

10.11 Impacting Systems Change

10.11.1 TELUS will provide each GPS Entity with copies of all scheduled maintenance plans in respect to British Columbia that directly or indirectly relate to the provision of Core Services in accordance with Schedule RR. Nothing in this section 10.11 will be deemed to relieve TELUS of its Service Level obligations otherwise set forth in this Agreement.

10.12 Satisfaction Surveys

10.12.1 The parties will conduct satisfaction surveys during the Term on the following terms and conditions:

- (a) TELUS and each GPS Entity will jointly conduct the following satisfaction surveys on a GPS Entity basis during the Term:
 - (i) annual client satisfaction survey of some or all of the executive and management level personnel of the GPS Entity designed to obtain information on and to assess the perception of such personnel as to the level of satisfaction of such GPS Entity in respect of the performance of the Services for such GPS Entity ("**GPS Surveys**"); and
 - (ii) other targeted surveys as agreed by TELUS and a GPS Entity ("**Targeted Surveys**").
- (b) The timing for conducting Targeted Surveys for a GPS Entity will be as agreed to by TELUS and such GPS Entity.
- (c) The process, contents and form of each GPS Survey and Targeted Survey will be mutually agreed upon prior to its execution. GPS Surveys and Targeted Surveys may include real time or ongoing surveys and the cost of such surveys shall be borne equally by the applicable GPS Entity and TELUS. TELUS and GPS Group will work together cooperatively to integrate TELUS' Customer Value Management program into the GPS Survey process.

10.12.2 The results of a GPS Survey and Targeted Survey conducted for a GPS Entity shall be reviewed by the GPS Entity Lead Representative and the TELUS Client Service Manager for such GPS Entity and will be reflected in the Balanced Scorecards for each GPS Entity. If the results of any such surveys indicate a decrease in the level of customer satisfaction as compared to any surveys conducted previously (including prior GPS Surveys and Targeted Surveys), TELUS shall within six (6) months of receipt of the survey results, design, propose and implement, following consultation with the applicable GPS Entity, a remedial plan approved by the Operational Management Committee to prevent reoccurrence of the problem and to increase customer satisfaction of GPS End Users or GPS Entities, as applicable.

10.12.3 The Privacy Obligations apply to any Personal Information collected for a survey under section 10.12.1.

10.12.4 For each survey conducted under section 10.12.1, the parties agree:

- (a) all Intellectual Property Rights in the survey instructions and questions shall be considered to be created on behalf of the Administrator, unless agreed otherwise by the Administrator and TELUS; and
- (b) the survey results shall be considered the property of and the Confidential Information of the applicable GPS Entity.

10.13 Deficiently Provided Services for which there are no Service Levels

10.13.1 For Services for which there are no Service Levels that are not performed to Industry Standards TELUS shall promptly respond to all Incidents and Problems at no charge to the GPS Entity.

10.14 Balanced Scorecard

10.14.1 TELUS and each GPS Entity will, on a monthly basis, jointly prepare and provide to one another, with a copy to the Administrator, a graphical one page overall summary of how well the parties are performing their obligations under this Agreement, as further described in Schedule J ("**Balanced Scorecard**"). The same form of Balanced Scorecard will be used by TELUS and each GPS Entity.

11. SERVICE AVAILABILITY PLANNING

11.1 General Service Availability Services

11.1.1 TELUS agrees that data backup, contingency, business continuity and disaster recovery planning, testing and demonstrated validation of readiness, recovery and implementation services are required for the proper performance of the Services and shall undertake such activities consistent with:

- (a) the best practices of major telecommunications service providers in North America; and
- (b) such other standards and Service Levels as otherwise set forth in this Agreement.

11.2 Scheduled and Emergency Maintenance

11.2.1 Subject to the Change Process and the terms and conditions of Schedule N, the parties will comply with the procedures and requirements for requesting, planning, communicating, tracking and implementing Network Changes, whether as part of scheduled or emergency maintenance or otherwise, set out in Schedule RR.

11.2.2 Nothing in this section 11.2 or Schedule RR relieves TELUS from meeting its obligations with respect to Service Levels, except as otherwise expressly provided for herein.

11.3 Business Continuity Plans and Disaster Recovery Plans

11.3.1 From and after the Effective Date TELUS must have, maintain and be ready to activate disaster recovery plans of TELUS ("**Disaster Recovery Plans**") and business continuity

plans of TELUS (“**Business Continuity Plans**”) consistent with Industry Standards in support of maintaining the availability of critical infrastructure and business processes to support the Services.

- 11.3.2 The Business Continuity Plans deal with TELUS’ ability to continue internal critical business processes impacted by any business disruption. All obligations, including development, maintenance, approval, availability, exercise and activation of Business Continuity Plans are the responsibility of, and are provided by, TELUS.
- 11.3.3 Disaster Recovery Plans deal with the recovery, resolution and restoration of the TELUS critical infrastructure that support the Services. All obligations, including development, maintenance, approval, availability, exercise and activation of Disaster Recovery Plans are the responsibility of, and are provided by, TELUS.
- 11.3.4 The scope of the Business Continuity Plans and Disaster Recovery Plans is limited to TELUS critical infrastructure and TELUS business processes, and they are not intended to replace the need for the GPS Entities to have business continuity and disaster recovery plans for their own business services, applications and operations.
- 11.3.5 Subject to the Change Process, TELUS agrees to make its Personnel reasonably available to the GPS Entities to provide assistance to the GPS Entities with respect to building and harmonizing their back-up, disaster recovery plans, and business continuity plans.
- 11.3.6 Without limiting the generality of section 15, where TELUS relies on the services of Subcontractors to support the provision of the Services, TELUS remains responsible for the recovery, resolution and restoration of the Services in accordance with applicable Service Levels.

11.4 TELUS Business Continuity and Disaster Recovery Representative

- 11.4.1 TELUS will provide GPS Entities with dedicated client service managers who will liaise with GPS Entities (i.e. the TELUS Client Service Managers) to assist with business continuity planning requests and inquiries. Such TELUS client service managers will further act as the interface between TELUS and a GPS Entity to provide regular communications and status updates in the event that a TELUS Disaster, GPS Disaster or other critical situation occurs and will act as the single point of contact for delivering such information. For clarity, the support of a TELUS client service manager is intended to augment and not replace the Incident management processes set out in Schedule N.

11.5 Plan Management and Annual Reviews

- 11.5.1 The management of the Business Continuity Plans and Disaster Recovery Plans by TELUS will include, without limitation, the following:
 - (a) the performance in each Contract Year of a business impact analysis (“**BIA**”) in respect of the TELUS critical infrastructure by TELUS and the TELUS critical business processes that support the Services;

- (b) the performance in each Contract Year of strategic risk assessments in respect of the TELUS critical infrastructure and TELUS critical business processes that support the Services;
- (c) the ongoing development of risk mitigation and business continuity and disaster recovery treatments in respect of the TELUS critical infrastructure and TELUS critical business processes that support the Services; and
- (d) a review and update of the Business Continuity Plans and Disaster Recovery Plans at least once per Contract Year.

11.5.2 Within thirty (30) days of the end of each Contract Year TELUS senior management will provide written confirmation to the Administrator that:

- (a) TELUS has performed an annual BIA in respect of the TELUS critical infrastructure and TELUS critical business processes that support the Services and appropriately updated the Business Continuity Plans and Disaster Recovery Plans to reflect and address BIA findings;
- (b) TELUS has performed an annual strategic risk assessment in respect of the TELUS critical infrastructure and TELUS critical business processes that support the Services and appropriately updated the Business Continuity Plans and Disaster Recovery Plans to reflect and address strategic risk assessment findings;
- (c) TELUS has conducted a review and update of Business Continuity Plans and Disaster Recovery Plans as appropriate; and
- (d) TELUS has planned and conducted the exercising (testing) of the Business Continuity Plans and Disaster Recovery Plans in accordance with applicable Industry Standards in respect thereof and its obligations under section 11.6.

11.5.3 For clarity, TELUS shall not be required to disclose copies of TELUS' Business Continuity Plans and Disaster Recovery Plans, nor any updates, BIAs and strategic risk assessments, and such material shall not be subject to GPS Group access rights and audit rights under section 19. Further, the parties agree that no GPS Entity will have approval authority for any of the TELUS Business Continuity Plans, Disaster Recovery Plans, BIA or strategic risk assessments.

11.5.4 The parties acknowledge that for security and competitive reasons, information regarding TELUS critical infrastructure cannot be shared by TELUS with the GPS Group subject to any TELUS information disclosure requirements otherwise set forth under this Agreement.

11.6 Testing of Business Continuity Plans and Disaster Recovery Plans

- (a) The exercising (testing) of the Business Continuity Plans and Disaster Recovery Plans will be conducted each Contract Year by TELUS in accordance with applicable Industry Standards in respect thereof and its obligations under this Agreement.

- (b) TELUS will conduct such exercising in a manner that causes minimal disruption to the ongoing operations of the Services, if any, and in full consultation with the GPS Entities if any disruption is anticipated.

11.7 Actual Disaster

11.7.1 In the event of a TELUS Disaster, or TELUS' anticipation of a TELUS Disaster the following provisions will apply:

- (a) if TELUS' ability to deliver the Services is impacted by a TELUS Disaster, or TELUS anticipates that its ability to deliver the Services will be so impacted, then TELUS will promptly notify the GPS Entities thereof, including details of the nature of the event causing the same, its expected duration and the obligations under this Agreement that will be affected as a result;
- (b) TELUS will continue to regularly provide communication to the GPS Entities with respect to such disruption, non-performance or delay, no less than daily or on a timely basis, or as otherwise required by the Agreement, during the continuance thereof;
- (c) TELUS will restore the TELUS critical infrastructure and the TELUS critical business processes within recovery time objectives in accordance with the Business Continuity Plans and Disaster Recovery Plans (including the redeployment or reassignment of other available Personnel to assist with the implementation of the Business Continuity Plans and Disaster Recovery Plans) in support of restoring the Services;
- (d) with respect to infrastructure and business processes which impact the delivery of the Services and which are not addressed or not fully addressed in the Business Continuity Plans and Disaster Recovery Plans, TELUS will use commercially reasonable efforts to restore the infrastructure and business processes in support of the Services, recognizing that the preservation of life and property, and the timely resumption of emergency services will have restoration priority;
- (e) within thirty (30) days of the recovery of the Services as a result of the activation of the Business Continuity Plans or Disaster Recovery Plans, TELUS will provide the GPS Entities with a written report detailing the root cause of the disruption, if the root cause of the disruption can reasonably be determined, the steps taken by TELUS in respect thereof, and any recommendations that TELUS may have with respect to mitigation and improving the Business Continuity Plans or Disaster Recovery Plans (including the responsibilities and timelines referred to therein); and
- (f) subject to the foregoing, the GPS Entities will retain the right to audit, sign-off and confirm the full recovery of the delivery of the Services following the implementation of the Business Continuity Plans or Disaster Recovery Plans.

12. TELUS' DUTIES TO COMPLY WITH TERMS, LAWS AND STANDARDS

12.1 General Duties and Obligations of TELUS

12.1.1 At all times during the Full Term and without limiting the other provisions set forth herein, TELUS agrees to, and to cause its Personnel, agents and Subcontractors to, exercise its rights, powers and authority and to perform its obligations, duties, covenants and responsibilities under this Agreement (including, without limitation, the performance of the Services) in the following manner at no additional cost or expense to the GPS Entities:

- (a) in compliance with all of the terms and conditions of this Agreement (or in the case of agents and Subcontractors any applicable portions of this Agreement) including, without limitation, the Service Levels and all other external documents referenced herein, including the other Transaction Agreements;
- (b) consistent with the parties' objectives set out in section 1.5 hereof;
- (c) make application for, obtain and remit to the GPS Entities any applicable refund or remission of federal and provincial taxes, duties or impost available with respect to any articles, materials, Hardware, Software or Systems used in connection with this Agreement;
- (d) ensure that the representations and warranties set out in section 20.1 continue to be true and correct during the Full Term;
- (e) perform the Services to Industry Standards;
- (f) except as may be otherwise agreed in a Change Order, a Service Order or a Service Change Order, supply and pay for all labour, materials, Hardware, Software, Systems and approvals necessary to provide the Services; and
- (g) ensure that all Entities employed or retained by it to perform the Services are competent to perform them and are properly trained, instructed and supervised.

12.2 Standard of Care

12.2.1 At all times, TELUS shall perform this Agreement, including all Services, with the reasonable care, skill, diligence and professionalism consistent with Industry Standards.

12.3 Compliance with Laws, Permits, Policies, Codes and Standards

12.3.1 At all times during the Full Term and without limiting the other provisions set forth herein, TELUS agrees to, and to cause its Personnel, agents and Subcontractors to, exercise its rights, powers and authority and to perform its obligations, duties, covenants and responsibilities under this Agreement (including, without limitation, the performance of the Services) in the following manner at no additional cost or expense to the GPS Entities:

- (a) comply with all Applicable Laws, including the *Telecommunications Act* (Canada) and all applicable policies, decisions and orders of the CRTC;

- (b) obtain and maintain all rights-of-way, easements, leases, licenses, permits and approvals required or desirable for the proper performance of the Services and this Agreement, including those required to be made to or obtained from any Governmental Authority;
- (c) comply with all Policies; and
- (d) ensure all facilities, Hardware, Software and Systems used in providing the Services meet Industry Standards, manufacturer's installation guidelines where appropriate, and any standards set out in this Agreement, a Service Order or a Service Change Order.

12.3.2 Upon TELUS becoming aware of any material non-compliance by TELUS with section 12.3.1, TELUS will promptly provide notice of such non-compliance to the Administrator, including sufficient details of such non-compliance.

12.4 Additional Requirements while on Site

12.4.1 While working at any Site, TELUS agrees to, and to cause its Personnel, agents and Subcontractors to:

- (a) comply with all applicable workplace or site specific policies and conduct rules that the GPS Entity has provided in advance to TELUS;
- (b) comply with all reasonable safety and security signage posted on site; and
- (c) keep its operations, Hardware and Systems in a safe and orderly state and free of debris to avoid harm, injury or danger to any person.

13. RELATIONSHIP MANAGEMENT

13.1 Governance

13.1.1 The parties agree to establish upon execution of this Agreement and to maintain throughout the Full Term the Governance Process set out in Schedule K and to follow any processes and procedures set out in it for governing their relationship under this Agreement.

13.2 Administrator

13.2.1 The Province is hereby appointed by the GPS Group as the initial Administrator hereunder. The GPS Group may replace the Entity acting as Administrator from time to time upon written notice to TELUS subject to:

- (a) any replacement Entity not being any Entity engaged in the commercial delivery of telecommunication services other than the delivery of Services under this Agreement; and
- (b) the GPS Group consulting with TELUS and considering TELUS' input as to the replacement Entity to act as Administrator prior to delivery of written notice in respect of the same.

- 13.2.2 The Entity acting as Administrator may resign at any time upon thirty (30) days written notice to TELUS and the GPS Group. Effective upon dissolution of such Entity or such resignation such Entity shall be relieved of all duties and obligations under this Agreement and the Strategic Relationship Agreement in respect of its capacity as Administrator (but not, for greater certainty, in its capacity as a GPS Entity to the extent such Entity is also a GPS Entity). Upon the dissolution or resignation of the Entity acting as Administrator the GPS Group shall immediately, and in all cases prior to the expiry of the thirty (30) day notice period, if applicable, appoint a new Entity to act as Administrator under this Agreement.
- 13.2.3 The parties acknowledge that the role of Administrator is important to TELUS in order to achieve operational and administrative efficiencies with respect to this Agreement and the Strategic Relationship Agreement. In furtherance of the same the GPS Group shall make reasonable efforts, subject to the terms of any agreement between the GPS Group, to utilize and direct the Administrator whenever feasible such as for receipt of notices and coordinating the granting of Approvals, coordinating the Transition, coordinating Changes that involve more than one GPS Entity, coordinating Enhanced Price Reviews and Cellular Price Reviews, acting as a co-chair of the Operational Management Committee and coordinating audits which impact more than one GPS Entity. TELUS has the right at any time to escalate any concerns that it has regarding compliance with this section 13.2.3 including where TELUS reasonably determines that the GPS Group is not efficiently coordinating its activities through the Administrator.
- 13.2.4 The Administrator shall undertake certain functions as specifically contemplated in this Agreement and the Strategic Relationship Agreement. In addition thereto, each of the GPS Entities confirms to TELUS and the Administrator that the Administrator has the authority to act on behalf of the GPS Group as a whole and any actions to be taken by the GPS Group under this Agreement and the Strategic Relationship Agreement (including any amendment hereto and thereto) can be taken by the Administrator for and on behalf of the GPS Group. Notwithstanding the foregoing, the rights granted to the Administrator for and on behalf of the GPS Group are expressly and specifically limited to the exercise of rights in respect of this Agreement or the Strategic Relationship Agreement and not any activity outside of the scope of this Agreement and the Strategic Relationship Agreement.
- 13.2.5 Each GPS Entity expressly consents to TELUS disclosing any information related to such GPS Entity in respect of this Agreement or the Strategic Relationship Agreement (other than Personal Information) to the Administrator.
- 13.2.6 TELUS acknowledges and agrees that the Administrator is acting as an Administrator for and on behalf of the GPS Group and not in the Administrator's personal or direct capacity and TELUS expressly releases and discharges the Administrator from any Claim in respect of its actions or inactions under this Agreement or the Strategic Relationship Agreement in its capacity as Administrator for and on behalf of the GPS Group.
- 13.2.7 Each GPS Entity agrees to be bound by whatever the Administrator may do in its name or on its behalf in exercising such powers. Any actions taken or Approvals given by the Administrator to TELUS under this Agreement or the Strategic Relationship Agreement shall be deemed to be actions taken or Approvals given by the entire GPS Group and any notifications received by the Administrator from TELUS in accordance with the terms

of this Agreement or the Strategic Relationship Agreement shall be deemed to be notifications given by TELUS to each GPS Entity in the GPS Group (and for clarity not in its capacity as a GPS Entity if the Administrator is also a GPS Entity).

13.3 TELUS not an Agent

- 13.3.1 TELUS is providing the Services as an independent contractor to each GPS Entity.
- 13.3.2 TELUS has no authority under this Agreement to commit or to purport to commit any GPS Entity to any obligation or liability, including payment of money, to any person (including any Subcontractor).
- 13.3.3 Nothing in this Agreement creates any employment, partnership, joint venture or agency relationship among or between any of the parties.

13.4 Cooperation

- 13.4.1 The GPS Entities and TELUS shall use their reasonable efforts to cooperate with the other for the purposes of performing this Agreement in order that the provision of Services under this Agreement may be accomplished in a proper, timely and efficient manner without unreasonable delay, which cooperation includes not unreasonably withholding or delaying:
 - (a) any approval, acceptance or management decision as may be reasonably requested by the other party or parties; and
 - (b) any requested information that is necessary for the requesting party to perform its obligations under this Agreement.
- 13.4.2 The applicable party or parties receiving the request shall use reasonable efforts to respond to any request for approval or for the directions or instructions of such party or parties as soon as reasonably practicable, or such other period as is expressly provided for in this Agreement or as may be reasonably requested by the other party or parties.
- 13.4.3 Notwithstanding the foregoing, nothing in this section 13.4 will in any manner relieve a party from performing its obligations, as contemplated under, and in accordance with, the express terms of this Agreement.

13.5 GPS Entities Approval

- 13.5.1 In connection with the Services performed by TELUS under this Agreement, and unless specifically provided otherwise in this Agreement, during the Full Term TELUS will not undertake any matter outside of the scope of the Services contemplated under this Agreement, and will not undertake any of the following matters without the prior Approval of the GPS Entities:
 - (a) charging or receiving fees or other amounts from the GPS Entities other than the Fees and the amounts to be reimbursed by the GPS Entities to TELUS under this Agreement, a Service Order or Service Change Order or as otherwise approved in writing by the GPS Entity from time to time;

- (b) those matters specifically identified in this Agreement as requiring any Approval of the GPS Entities;
- (c) making or agreeing to make any capital expenditure on behalf of the GPS Entities; or
- (d) retaining legal counsel on behalf of the GPS Entities with respect to any matter involving any Service, or initiating or responding to any legal, regulatory or other proceeding on behalf of the GPS Entities, or settling any Claim prosecuted by or against the GPS Entities arising from a legal or regulatory proceeding regarding any Service.

13.5.2 If the Approval of one or more GPS Entities is required pursuant to this Agreement, then except as specifically provided otherwise in this Agreement, TELUS will deliver written notice to such GPS Entities through the Governance Process, setting out the particulars of the matter and requesting the Approval of such GPS Entities, and setting forth the reasonable time period in which a response is required, and if applicable, the implications of not responding within that time period. The parties agree that it will not be considered reasonable for the requested response time to be less than five (5) Business Days except in extraordinary circumstances clearly demonstrated in TELUS' notice. A GPS Entity will use reasonable efforts to respond to any request from TELUS for an Approval from such GPS Entity as soon as reasonably practicable having regard to all of the surrounding circumstances, or such other period as is expressly provided for in this Agreement. Except as specifically provided otherwise in this Agreement, the failure to respond to a request for an Approval during the period suggested by TELUS will not result in any liability on the part of the GPS Entities to TELUS or be deemed to constitute the Approval of the GPS Entities by acquiescence or otherwise. Where the GPS Entities delay in providing such response to TELUS in circumstances where the request for the Approval from TELUS expressly sets forth the consequences of not responding within the required time period, then TELUS will not be responsible for any breach by TELUS of its obligations under this Agreement where the same are expressly set forth in the request and they are directly attributable to the delay of the GPS Entities in providing such response.

13.6 Relationships with Third Parties

13.6.1 TELUS acknowledges that the GPS Entities and other third party suppliers and contractors of the GPS Entities are involved in the maintenance and support of certain Hardware, Software and Systems and services to the GPS Entities, which maintenance and support may be impacted by the delivery of the Services or the performance by TELUS of its obligations under this Agreement (the "**Third Party Services**"). TELUS agrees to cooperate and work with these third party suppliers and contractors to minimize any disruption to the services each provides to the GPS Entities and to provide any information and assistance reasonably required by such third parties in order to effectively provide the Third Party Services to the GPS Entities; provided that nothing contained in this section shall require TELUS to release any TELUS proprietary information respecting TELUS' core network that TELUS does not disclose to other third party telecommunications providers in similar circumstances in the ordinary course of its operations. In the event that a request for assistance by TELUS under this section has a material cost to TELUS, as determined by TELUS acting reasonably, the request will be

handled as a change under this Agreement. TELUS further agrees that it shall make commercially reasonable efforts to:

- (a) investigate Incidents, Problems and Service related issues caused by the third party Hardware, Software, Systems or services; and
- (b) assist the applicable GPS Entity in remedying the Incident, Problem or Service related issues.

Where a material service delivery issue (the “**Multi-Vendor Issue**”), as determined by the GPS Group, occurs that neither TELUS or any Third Party Services vendor takes responsibility for, then the GPS Group shall have the right to deliver written notice to TELUS (the “**Multi-Vendor Issue Notice**”) of such Multi-Vendor Issue. Upon receipt of the Multi-Vendor Issue Notice the parties shall make commercially reasonable efforts to resolve the Multi-Vendor Issue identified in the Multi-Vendor Issue Notice. To the extent that the GPS Group has similar rights with other vendors related to the Multi-Vendor Issue, then the GPS Group agrees to exercise such similar rights with such other vendors. Where the Multi-Vendor Issue is not resolved to the reasonable satisfaction of the GPS Group within 30 days of the Multi-Vendor Issue Notice and the GPS Group determines, in its discretion acting reasonably that TELUS is a contributor to the Multi-Vendor Issue, then the GPS Group shall have the right to refer the matter to the Dispute Resolution Process under section 28.

14. PERSONNEL

14.1 Human Resource Responsibilities

14.1.1 At all times during the Full Term, TELUS will employ sufficient personnel of TELUS (collectively, “**Personnel**”) to perform the Services in accordance with Service Levels and the other terms and conditions of this Agreement. The following provisions will apply with respect to the Personnel:

- (a) TELUS will be responsible for the management and supervision of, and for the acts, omissions, performance of, and damage caused by any Personnel in the performance of the Services;
- (b) TELUS will ensure that the use of all of its Personnel and External Personnel who are Foreign Employed Individuals and have access to Personal Information in the performance of the Services will comply with the Privacy Obligations applicable thereto;
- (c) TELUS will ensure that the Personnel performing the Services:
 - (i) possess a degree of skill and experience appropriate to the tasks to which they are assigned and the performance and Service Levels which they are required to achieve;
 - (ii) receive appropriate training (including quality training courses, refresher courses and retraining programs) for the performance of the Services and compliance with the confidentiality provisions and Privacy Obligations in the Agreement;

- (iii) perform the Services to the standards set out in this Agreement; and
 - (iv) strictly comply with the privacy, security and confidentiality provisions set forth in this Agreement, including the Privacy Obligations;
- (d) where necessary, appropriate or prudent to do so given the nature of the Services or of the Confidential Information being accessed, used or disclosed, TELUS will conduct appropriate security checks with respect to the applicable Personnel;
- (e) TELUS will be solely liable and responsible (to the exclusion of the GPS Entities) for all costs, expenses, liabilities or claims, whenever incurred, relating to the Personnel (except as may be otherwise provided in this Agreement, a Service Order or Service Change Order) including, without limitation:
- (i) salaries and other compensation payable to Personnel;
 - (ii) labour relations proceedings or orders, grievances, arbitration proceedings or unsatisfied arbitration awards relating to Personnel;
 - (iii) Labour Disruptions involving Personnel; and
 - (iv) complaints, claims, decisions, applications, orders or prosecutions under any employment or labour standards, occupational health and safety, workers' compensation, pay equity, employment equity and human rights legislation relating to Personnel,

regardless of the time that the matter or event giving rise to any such costs, expenses, liability or claims arises or occurs, and for greater clarification, none of such costs, expenses, liabilities or claims referred to in this paragraph (e) will be subject to reimbursement by the GPS Entities to TELUS; and

- (f) TELUS shall be solely liable and responsible for, to the exclusion of the GPS Group, all costs arising from or otherwise relating to the termination by TELUS of any Personnel and TELUS shall not be reimbursed by the GPS Group for any such costs, expenses, claims or liabilities.

14.2 Conflict of Interest

14.2.1 At no time shall TELUS engage or permit its Personnel to engage, directly or indirectly, in any act (including the giving of any personal gift or benefit in excess of nominal value or with obligation) that would either:

- (a) create an actual or perceived conflict of interest with the public administration of this Agreement; or
- (b) put any public servant in breach of the then current Policies with respect to "conflicts of interest", including the then current "Standards of Conduct" for Public Sector employees, as may be amended, replaced or supplemented from time to time (subject to the Change Process).

- 14.2.2 TELUS shall advise the Administrator promptly upon becoming aware of any actual or perceived conflict of interest that it or its Personnel may have in relation to this Agreement or any Services provided hereunder, and of any uncertainty it has as to whether such a conflict of interest exists or could exist in the circumstances, and shall promptly comply with any direction by the applicable GPS Entity or Administrator (including any direction to replace a Key Role or Subcontractor), unless it designates such matter as a Dispute.
- 14.2.3 The GPS Entities retain the right to prohibit any Entity (including any Personnel, External Personnel, Subcontractor or Supplier of TELUS) from taking any action, delivering any Services or otherwise participating in any manner with respect to the Services or to this Agreement where any GPS Entity determines, in its sole opinion, that such Entity's current or past corporate or other interests may give rise to a conflict of interest in connection therewith, and any determination or direction by a GPS Entity in respect of this Section will be based upon such information as such GPS Entity, in its sole discretion, determines to be relevant.
- 14.2.4 TELUS represents, warrants and covenants that none of its members or employees has given, and nor will they give, any commissions, payments, kickbacks, lavish or excessive entertainment, or other inducements of more than minimal value in any form to any employee or agent of the GPS Entities in connection with this Agreement. TELUS acknowledges that the giving of any such inducements or gifts is strictly in violation of the GPS Entities' policies on conflicts of interest, and may result in termination of this Agreement. TELUS acknowledges that it has read the GPS Entities' policies on conflicts of interest, and it agrees that it will abide by such policies during the Full Term, as such policies are revised from time to time upon reasonable notice to TELUS.

14.3 Key Roles

- 14.3.1 TELUS acknowledges and agrees that the GPS Group has entered into this Agreement in reliance that Personnel in Key Roles will be engaged at all times during the Full Term in the provision of the Services to the GPS Group. With respect to each Key Role:
- (a) each Key Role will be qualified to the skill levels, experience and credentials set forth in Schedule L;
 - (b) TELUS will not transfer the person in a Key Role from his or her designated position (in whole or in part) to another position within TELUS' organization for any reason except with at least six (6) weeks prior notice to the GPS Group (or such shorter notice period as agreed by the GPS Group) and the Approval of the GPS Group to such transfer, which Approval shall not be unreasonably withheld but which may be conditional upon the GPS Group being provided with a succession plan for the Key Role which the GPS Group Approves;
 - (c) any transfer Approved in the manner set forth in paragraph (b) above shall only be undertaken after there has been a replacement determined and Approved in accordance with the terms of this section 14.3 and such replacement has assumed such Key Role jointly with the incumbent who is to be replaced for at least two (2) weeks or such other period of time as agreed by the GPS Group;

- (d) where TELUS terminates Personnel in a Key Role TELUS will provide notice of such termination to the Administrator as promptly as possible after notice of termination of employment subject to any privacy laws. Where the TELUS employee has been terminated for cause, and the event giving rise to the termination impacts the GPS Group or TELUS' compliance with this Agreement, TELUS will provide particulars, subject to applicable privacy legislation, of the event as part of TELUS' notice to the Administrator;
- (e) in the event of an extended or unexpected absence of the incumbent in a Key Role, TELUS shall forthwith advise the GPS Group of such absence and the parties shall consult with each other as to appropriate steps to be taken in respect of such absence and without limiting the generality of the foregoing, TELUS shall retain the services, on an interim basis, of a qualified temporary person, if a suitable replacement person cannot be promptly identified;
- (f) any new person in a Key Role shall be suitably trained, qualified (in a manner reasonably equivalent to the incumbent) and transitioned to the Key Role functions as described in Schedule L and shall only be hired after consultation with the GPS Group; and
- (g) the GPS Group shall have the right to deliver a direction requesting that a person in a Key Role be removed from such Key Role, in which event the direction shall be reviewed by the Governance Process, and such person shall be removed by TELUS as a result of such direction only where, in accordance with the Governance Process, such removal is approved by both the GPS Group and TELUS, each acting reasonably, in which case TELUS shall effect such removal and replacement of such person as soon as reasonably practical which the parties anticipate will generally be approximately six (6) weeks.

14.3.2 TELUS shall promptly advise the GPS Group in writing of any material matter or event involving or impacting the Personnel, the Subcontractors or any External Personnel that may result in any material adverse consequences to the GPS Group or any GPS Entity or that may result in a disruption to or otherwise adversely affect the Services, in all cases as reasonably determined by TELUS.

14.4 Reporting Structure

14.4.1 Upon the reasonable request of the GPS Group, TELUS shall provide to the GPS Group a current organization chart of its management and the management of any Subcontractor involved in the provision of the Services, updated as and when material changes are made. From time to time as TELUS may reasonably request, a GPS Entity will provide TELUS with a current organization chart of its management and its personnel involved in the administration of this Agreement.

15. SUBCONTRACTING

15.1.1 Except with respect to any Subcontractor that performs routine operations, maintenance, and installation under a Subcontract not exceeding an aggregate value of \$250,000 on an annual basis and will not have access to or will not otherwise handle Personal Information of any GPS Entity or any GPS End User in respect of this Agreement, TELUS will not, without the prior written consent of the applicable GPS Entity, such

consent not to be unreasonably withheld, subcontract any obligation of TELUS under this Agreement. Consent may be evidenced through an agreed to Change Order, Service Order or Service Change Order. No Subcontract entered into by TELUS will relieve TELUS from any of its obligations under this Agreement or impose any obligation or liability upon the GPS Group to any such Subcontractor. Each GPS Entity has the right to withhold its consent in its sole discretion where the applicable GPS Entity reasonably determines that a Subcontract could result in disclosure of such GPS Entity's Personal Information to the Subcontractor. The GPS Group confirms that the Entities set out in Schedule O are Approved as Subcontractors as of the Effective Date.

15.1.2 Regarding each proposed Subcontractor, TELUS shall:

- (a) advise the GPS Group if the proposed Subcontractor will, if approved, have access to any Personal Information or GPS Entity Confidential Information; and
- (b) use commercially reasonable efforts to provide all information reasonably requested by GPS Group related to the proposed Subcontractor for the purposes of making their decisions.

15.1.3 TELUS will deal with its Subcontractors in such a manner that the GPS Entities will have no liability resulting from the failure of the Subcontractors to meet the same responsibilities and payment obligations as described in section 14.1.1(e) with respect to the External Personnel, and for greater clarification, none of such costs, expenses, liabilities or claims contemplated in that section will be subject to reimbursement by the GPS Entities to TELUS or to the Subcontractors.

16. PRICING

16.1 Fees

16.1.1 In consideration of the Services supplied under this Agreement, TELUS shall invoice, and the GPS Entity being supplied the Services under the applicable Service Order shall pay, the fees and charges for those Services as such fees are set out in the Price Book or this Agreement or, subject to section 1.3.2, as otherwise agreed in a Service Order or a Change Order (collectively, the "**Fees**"), less all applicable discounts (not already reflected in the Fees) and credits under this Agreement.

16.1.2 Unless set out otherwise in this Agreement, all discounts and credits are cumulative.

16.1.3 Subject to any express term to the contrary set forth in this Agreement and without limiting any obligation of a GPS Entity to pay Termination Fees or Recoverable Costs, upon Cancellation of any Services, or the expiration or termination of this Agreement, the GPS Entities shall be entitled to a pro-rata refund of any monies paid for Services in advance.

16.2 Transition Credits

16.2.1 TELUS will issue the following credits against Fees (each, a "**Transition Credit**"):

- (a) one or more transition related credits to each GPS Entity with respect to Long Distance Services. Such credits will be applied retroactively for a four (4) full

calendar months prior to the Effective Date in accordance with the applicable Transition Plans relating to the transition of rates for Long Distance Services. The amount of each such credit will be determined based on the difference between rates for Long Distance Services immediately prior to the Effective Date and the rates for Long Distance Services implemented as part of the Transition, based on the actual usage volumes over such four month period;

- (b) one or more transition related credits to each GPS Entity with respect to Internet Services. Such credits will be applied retroactively for a four (4) full calendar months prior to the Effective Date in accordance with the applicable Transition Plans relating to the transition of rates for Internet Services. The amount of each such credit will be determined based on the difference between rates for Internet Services immediately prior to the Effective Date and the rates for Internet Services implemented as part of the Transition; and
- (c) one or more credits to each GPS Entity to implement pricing under this Agreement retroactively to the Effective Date for all Services being provided to such GPS Entity as of the Effective Date that have pricing that is being transitioned to a new rates as part of the Transition in the accordance with the applicable Transition Plan relating to the transition of such rate, provided, however, that if the issuance of any such Transition Credit cannot be calculated and issued by TELUS to a GPS Entity on or before March 31, 2012, then TELUS will, on or before such date, issue a Transition Credit to such GPS Entity based on an estimate of what such Transition Credit should be for the period from the Effective Date to and including March 31, 2012 with a true up reconciliation (through the issuance of an additional credit or debit, as applicable) occurring once the actual amount of the Transition Credit for the full applicable period can be definitively determined. The details with respect to the processes for issuing and adjusting Transition Credits under this section 16.2.1(c) will be set out in the applicable Transition Plans, provided that a GPS Entity and TELUS may agree to different processes for issuing and adjusting Transition Credits to such GPS Entity under this section 16.2.1(c).

16.3 Enhanced Price Reviews

16.3.1 The GPS Group will have the option, by giving notice to TELUS, to initiate an enhanced price review at any time during the 5th Contract Year (an “**Enhanced Price Review**”) as follows:

- (a) The Enhanced Price Review will cover the Voices Services, excluding Hosted IVR Services, or the Data Services, excluding Security Services, or both, and will be conducted by an independent, qualified and experienced third party evaluator jointly selected and retained by the parties (the “**Evaluator**”) and if the parties cannot agree within 60 days of the notice being given under section 16.3.1, or such other period as they may agree in writing, then the matter shall be settled as an Expedited Dispute, with the matter to be resolved being the determination of which Entity out of the Entities proposed by each of TELUS and the GPS Group to be the Evaluator is the most independent, qualified and experienced for purposes of the Enhanced Price Review.

- (b) The Evaluator will assess the then current pricing against pricing being offered by TELUS to other similar customers for similar services to determine market pricing in Canada. The Evaluator will be entitled to select the group of TELUS customer comparables to be used in the review, which is anticipated to be comprised of approximately six comparables. If TELUS is of the opinion that any of the comparables selected by the Evaluator are not fairly representative, TELUS will be entitled to replace up to two of the comparables with TELUS selected comparables that TELUS reasonably believes are more representative, subject to providing the Administrator with a full explanation as to why the comparables are not representative and why the replacements are more representative of the market. Where the GPS Group does not agree with any such replacement of comparables by TELUS, then such Dispute shall be settled as an Expedited Dispute.
- (c) The parties may engage the Evaluator to review other areas such as Service Levels concurrently with conducting the Enhanced Price Review.
- (d) The GPS Entities will be represented by the Administrator during the Enhanced Price Review process and an individual GPS Entity will not be entitled to trigger its own independent Enhanced Price Review.
- (e) TELUS will provide the Evaluator with access to TELUS customer information and related analysis reasonably required by the Evaluator to select the comparable customer group, conduct the review and prepare the report, provided, however, that TELUS will not be required to provide such information to the extent the provision of it would result in any breach of TELUS' confidentiality obligations to its other customers. If TELUS' confidentiality obligations prevent the disclosure of any such information to the Evaluator, TELUS will produce a genericized version of such information that does not contain customer names and other customer identifying information and will provide such genericized information to the Evaluator and will certify that such genericized information is accurate.
- (f) Subject to section 16.3.1(e), TELUS shall provide to the Evaluator all necessary information, documents (including information and documents from Subcontractors) and assistance reasonably required to perform the Enhanced Price Review. For clarity, the information and documents TELUS provides from its Subcontractors under this section 16.3.1(f) shall not include information directly related to the commercial relationship between TELUS and the Subcontractor including costing information.
- (g) The Evaluator will, together with any information a party provides under section 16.3.1(h), take into account, without limitation, the following considerations when normalizing customer comparables: (i) the pricing will be market pricing in Canada at the time of the Enhanced Price Review; (ii) with respect to determining pricing for Data Services under this Agreement, pricing (which will reflect any scheduled reduction in pricing set out in the Price Book) will be determined by taking the average price paid, by Circuit type and capacity, in the month that is three months prior to the time of the Enhanced Price Review; (iii) pricing for Data Services will be reduced to take into account any Progressive Data Discounts applied to data Circuits during such month; (iv) pricing for Data

Services and Voice Services will be reduced by 4.5% to take into account SIF; (v) volumes of Services and volumes of services received by School Districts under the SD TSMA Lite and by BPS Entities under any BPS Services Agreements; (vi) contract length; and (vii) geographic region, and will conduct its assessment in accordance with any terms of reference for the Enhanced Price Review agreed to by the parties.

- (h) For the purposes of the Enhanced Price Review, any party will be entitled to provide the Evaluator with other relevant data; provided, however, that it does not introduce non-Canadian data other than North American telecommunications industry trending data (which can include without limitation consumption, technological and price trending data). The Evaluator may only use North America telecommunications industry trending data submitted by a party for the purposes of determining the market in Canada.
- (i) The Evaluator will be required to sign a non-disclosure agreement (consistent with the confidentiality terms set forth in this Agreement) with TELUS prior to having access to TELUS customer confidential information. The GPS Entities will at no time have access to any TELUS customer confidential information used in connection with the Enhanced Price Review and the Evaluator will present the report in a manner which respects customer confidentiality but allows the GPS Entities to understand the comparables, methodology and outcome of the Enhanced Price Review. The Evaluator will not be entitled to use TELUS customer data for any purpose other than conducting the Enhanced Price Review.
- (j) The timeline for the Evaluator to complete the Enhanced Price Review will be as directed by the parties, but if there is no agreement on the timeline, the Evaluator will complete the Enhanced Price Review as promptly as possible.
- (k) Once the Evaluator has completed its initial assessment and analysis, the Evaluator will provide its initial report to both TELUS and the GPS Group and the parties will have an opportunity to provide comments on the initial report to the Evaluator. Taking into account any such comments, the Evaluator will then produce a final version of its report.
- (l) If the Evaluator's final report identifies that current pricing is above market, , TELUS will make a price adjustment proposal to the GPS Group covering all of the Services which were subject to the Enhanced Price Review within 45 days of delivery of the final report to the parties.
- (m) If the GPS Group does not accept the TELUS proposal, the parties will enter into a mandatory 90 day negotiation period with the objective of agreeing on an acceptable overall price adjustment, or if that is not possible, agreeing on acceptable price adjustments for specific Services with the objective of narrowing the scope of potential dispute.
- (n) If there still remains any disputed price adjustment items after such 90 day period, the GPS Group may at their option elect to have the disputed items resolved as an Expedited Dispute, provided, however, that if the dispute goes to

arbitration, the arbitration will be pursuant to section 28.3 and the following will apply:

- (i) The submissions will be strictly limited to the pricing of the Services subject to the price adjustment dispute (the “**Disputed Services**”), notwithstanding that the Evaluator may have been engaged to review other items as part of the Enhanced Price Review.
- (ii) The Designated Arbitrator (or arbitrators, if applicable) will have access to all information which was available to the Evaluator and will not be entitled to consider any data or material which was not available to the Evaluator. The Designated Arbitrator will be required to sign a non-disclosure agreement with TELUS in a form substantially similar to the non-disclosure agreement signed by the Evaluator.
- (iii) The arbitration terms will require the arbitrator to select the submission that most closely reflects the adjustment which would have occurred based upon the information available to the Evaluator following the Enhanced Price Review process set out above in this section 16.3.1.
- (iv) If the TELUS submission is accepted by the Designated Arbitrator (or arbitrators, if applicable):
 - A. the GPS Group may elect to accept the Designated Arbitrator’s (or arbitrators’, if applicable) decision, in which case the pricing under this Agreement will be adjusted to reflect the pricing in the TELUS submission effective as of the commencement of the 6th Contract Year and there will be no changes to the Revenue Commitment; or
 - B. the GPS Group may elect not to accept the Designated Arbitrator’s (or arbitrators’, if applicable) decision, in which case:
 - a) the pricing will be adjusted to reflect the TELUS submission effective as of the commencement of the 6th Contract Year and the pricing for the Disputed Services will, commencing in the 7th Contract Year, increase on a straight line basis over a 24 month period until the pricing is the pricing that was in effect immediately prior to the Enhanced Price Review; and
 - b) effective as of the commencement of the 7th Contract Year, the affected GPS Entities will be permitted to Cancel the Disputed Services without incurring any Termination Fees and as such services are Cancelled and transitioned out of this Agreement the Revenue Commitment will be reduced by the Annual Value of the Cancelled Disputed Services.

- (v) If the GPS Group submission is accepted by the Designated Arbitrator (or arbitrators, if applicable):
 - A. TELUS may elect to accept the Designated Arbitrator's (or arbitrators', if applicable) decision, in which case the pricing under this Agreement will be adjusted to reflect the pricing in the GPS Group submission effective as of the commencement of the 6th Contract Year and there will be no changes to the Revenue Commitment; or
 - B. TELUS may elect not to accept the Designated Arbitrator's (or arbitrators', if applicable) decision, in which case:
 - a) TELUS may provide notice of Cancellation of the Disputed Services, with an advance notice period of 24 months for Data Services and 24 months for Voice Services;
 - b) the pricing for the Disputed Services will be adjusted to reflect the lesser of the rates in the TELUS submission and the difference between the then current pricing for the Disputed Services and the agreed Discount Off List effective in the 6th Contract Year; and
 - c) as the Disputed Services are transitioned out, the Revenue Commitment will be reduced by the Annual Value of the Cancelled Disputed Services.
- (o) For greater certainty, the effective date of any pricing adjustment as result of an Enhanced Price Review under this section 16.3.1 will be the commencement of the 6th Contract Year.

16.4 Cellular Price Reviews

16.4.1 The GPS Group will have the option, by giving advance notice to TELUS, to initiate a price review with respect to Cellular Services at the commencement of each of the third, fifth, seventh and ninth Contract Years (each, a "**Cellular Price Review**") as follows:

- (a) TELUS will, as part of the Cellular Price Review, undertake a price and service comparison of the then current pricing for Cellular Services against the five largest deals for cellular services by total gross revenue that TELUS has entered into with its customers in Canada within the prior Contract Year (the "**Top Five Deals**") using the following methodology:
 - (i) TELUS' Salesforce.com Software (or if no longer used by TELUS, the successor Software TELUS uses in its place) will be used to determine the Top Five Deals, using the deal ranking methodology used by such Software as of March 1, 2011;
 - (ii) TELUS will assess and compare the then current pricing for Cellular Services under this Agreement against the pricing of the Top Five Deals and other deals for cellular services that TELUS then has in place using

the methodology set out in Schedule SS in order to determine whether the then current pricing for Cellular Services complies with the requirement that it is better than the average pricing of the Top Five Deals, based on application of the subscription pricing for each of the Top Five Deals utilizing average monthly usage under this Agreement for the past 12 months and applying the same usage for purposes of determining the pricing under this Agreement (the “**Top Five Deals Requirement**”). TELUS confirms that the Top Five Deals Requirement is expected to result in the GPS Group being in the lowest 1% of all TELUS Canadian deals for cellular services.

- (b) TELUS will promptly (or within a specific period of time agreed by the parties) provide a report to the GPS Group setting out the results of its assessment of pricing under section 16.4.1(a).
- (c) If such report concludes that the then current pricing for Cellular Services under this Agreement meets the Top Five Deals Requirement, TELUS will deliver to the GPS Group, together with such report, a certificate stating that to the best of the knowledge of a senior officer or director of TELUS, after having made due inquiry, the then current pricing for Cellular Services under this Agreement meets the Top Five Deals Requirement.
- (d) If such report concludes that the then current pricing for Cellular Services under this Agreement does not meet the Top Five Deals Requirement, then TELUS will make a price adjustment proposal to the GPS Group with respect to the Cellular Services within 45 days of delivery of such report to the GPS Group.
- (e) If the GPS Group does not accept the TELUS proposal or the conclusion of TELUS’ report, the GPS Group may, by written notice to TELUS, have the Dispute resolved in accordance with section 28.1, provided, however that if the Dispute is ultimately referred to binding arbitration in accordance with section 28.2, the mandate of the Designated Arbitrator (or arbitrators, if applicable) will be limited to determining whether the Cellular Price Review conducted by TELUS complied with the principles and methodologies set out in this section 16.4. For clarity, the Designated Arbitrator (or arbitrators, if applicable) will not be permitted to set or recommend any pricing or to determine a new methodology in connection with any Dispute under this section 16.4. If the Designated Arbitrator (or arbitrators, if applicable) determines that the principles and methodologies were not properly applied, then TELUS will again initiate and run the price review described above, with TELUS correcting any deficiencies as noted by the Designated Arbitrator (or arbitrators, if applicable). If after the process is run again the GPS Group still does not accept the TELUS proposal or the conclusion of TELUS’ report, then the GPS Group may elect to have TELUS initiate and run the price review described above again, with TELUS correcting any deficiencies that the Designated Arbitrator (or arbitrators, if applicable) determines was not previously corrected, or, without limiting the GPS Group’s rights under sections 28.1, 28.5, 28.7 and 28.8, may immediately escalate the matter to the Joint Executive Governance Committee which will meet on a regular basis until the matter is resolved.

- (f) The Fees shall be amended as agreed by the parties pursuant to section 16.4.1(d) or 16.4.1(e) with such amendment being effective as of the commencement of the Contract Year in which the Cellular Price Review was initiated. TELUS will promptly issue a credit against Fees to give effect to any such retroactive pricing for existing cellular service plans. For clarity, any net new cellular service plans implemented for optimization purposes as a result of the Cellular Price Review will not have any retroactive effect.

16.5

16.6 Revenue Commitment

- (a) The particulars of the Revenue Commitment, including the calculation and tracking of Eligible Spend and adjustments to the Revenue Commitment are set out in Schedule MM. The Revenue Commitment is an aggregate amount for the entire GPS Group and is not allocated per GPS Entity.
- (b) The consequences of a failure by the GPS Group to meet the then current Revenue Commitment are set forth in Schedule MM as well as elsewhere in this Agreement. In addition to such consequences, upon TELUS determining that there is an RC Spend Deficiency in excess of one million dollars (\$1,000,000) in a particular Calendar Year (such deficiency being called a “**Material RC Spend Deficiency**”):
 - (i) at TELUS’ request, the Co-Chairs of the Strategic Management Committee will jointly call an additional meeting of the committee to discuss the remediation of the Material RC Spend Deficiency, such meeting to occur within 30 days of TELUS notifying the GPS Group that TELUS wishes to proceed with such meeting;
 - (ii) at such meeting the Administrator, or other representative designated by the GPS Group, will present to the GPS Group’s plan for remediating the Material RC Spend Deficiency, which plan will include:
 - A. a plan for bringing the GPS Group back to an Eligible Spend equal to the Revenue Commitment as soon as reasonably possible but no later within 12 months from the date of presentation of the plan; and
 - B. the specific Core Services, the GPS Entities and the operational representatives from each GPS Entity involved;
 - (iii) until such time as the Material RC Spend Deficiency is remediated, the first agenda item at each subsequent Strategic Management Committee meeting will be an update on the status of the GPS Group’s remediation plan and any adjustments to such plan necessary to ensure the goal stated in section 16.6(b)(ii)A is achieved;

- (iv) where the Material RC Spend Deficiency is not remediated within twelve (12) months from the date of the presentation of the plan, the first agenda item at the next Joint Executive Governance Committee and each subsequent Joint Executive Governance Committee thereafter until remediated, will be an update on the status of the GPS Group's remediation plan and any adjustments to such plan necessary to ensure the goal stated in section 16.6(b)(ii)A is achieved;
 - (v) where the Material RC Spend Deficiency is in excess of five (5%) of the Twelve Month Spend, in addition to the sections 16.6(b)(i) to (iii) applying:
 - A. at TELUS' request the Co-Chairs of the Joint Executive Governance Committee will call an additional meeting of the Joint Executive Governance Committee to discuss the remediation of such Material RC Spend Deficiency, such meeting to occur within 60 days of TELUS notifying the GPS Group that it wishes to proceed with such meeting; and
 - B. at TELUS' request, the Joint Executive Governance Committee will meet quarterly until such time as the RC Spend Deficiency is remediated and the first agenda item at the next Joint Executive Governance Committee meeting, and each subsequent Joint Executive Governance Committee meeting until the Material RC Spend Deficiency is remedied, will be an update on the status of the GPS Group's remediation plan and any adjustments to such plan necessary to ensure the goal stated in section 16.6(b)(ii)A is achieved; and
 - (vi) any Annual Operating Plan prepared while there is a Material RC Spend Deficiency in existence will include as part of the content referenced in section 18.7.1(b) (financial changes to services based on annual estimates) the relevant excerpts from the GPS Group's plan for remediating the Material RC Spend Deficiency.
- (c) The parties acknowledge and agree that notwithstanding anything to the contrary set forth in this section 16.6, failure by the GPS Group (or any GPS Entity) to remedy any RC Spend Deficiency or adhere to any remediation plan contemplated herein shall not be a breach of this Agreement. Accordingly, TELUS agrees that notwithstanding section 16.6(a) or (b) above, TELUS shall not:
- (i) be entitled to invoice the GPS Group for all or any RC Spend Deficiency, whether on an annual basis or at the end of the Term;
 - (ii) be entitled to commence an action, whether for breach of contract or otherwise, for non-compliance with a remediation plan or for the recovery of all or any portion of an RC Spend Deficiency; and
 - (iii) be entitled to withhold or modify the performance of any of its obligations under this Agreement or another Transaction Agreement as a result of an RC Spend Deficiency or failure to comply with a remediation plan.

- (d) For clarity, subject to the foregoing TELUS will not be restricted from taking any action to enforce a failure by the GPS Entities to perform their obligations under sections 16.6(b)(i) to (v) to comply with the governance obligations and to produce a remediation plan.
- (e) For greater certainty, the payment of Termination Fees under section 31.6 or Schedule MM in connection with a Termination by a GPS Entity under section 31.6 and the enforcement rights set forth in section 16.6(d) above are TELUS' sole remedies in the event that Twelve Month Spend or Actual Aggregate Spend for a Calendar Year does not meet or exceed the Revenue Commitment for such Calendar Year.

16.7 No Other Fees or Expenses

- 16.7.1 Except as expressly set out in this Agreement (including the Price Book), another Transaction Agreement, Service Order or Service Change Order, no GPS Entity shall be obliged to pay or reimburse TELUS for any other amounts relating to this Agreement including, without limitation, in respect of TELUS' performance of the Services or of any other obligations under this Agreement or for any costs incurred in connection with the development and implementation of transition or termination plans or the negotiation, preparation, execution and delivery of this Agreement or any documents referred to in or contemplated by it.
- 16.7.2 Without limiting section 16.7.1, any expenses that TELUS incurs in the performance of the Services (including installation and removal) are included in the Fees, and are not separately reimbursable by any GPS Entities unless set out in this Agreement (including the Price Book), another Transaction Agreement, Service Order or Service Change Order.
- 16.7.3 Unless set out otherwise in the Price Book (which sets out minimum billing increments with respect to Long Distance Services, Cellular Services and professional services), no minimum billing increment shall be applied to any Service billed on a time basis unless the Service was actually performed in that billing increment.

16.8 Pricing Principles

- 16.8.1 Subject to the terms and conditions of the Strategic Relationship Agreement with respect to pricing for SIF-related Projects and Services provided by TELUS under this Agreement, TELUS commits to the following principles with respect to pricing under this Agreement:
 - (a) The pricing for any new services added to the Services pursuant to the Change Process, will, throughout the Full Term, be at aggressive competitive market prices in Canada having regard to the size of the GPS Group and anticipated volume, the functionality associated with the service, any service levels associated with the service, the contract length and geographic availability;
 - (b) The pricing for Change Orders and any new services added to the Services will be determined through good faith negotiations, leveraging pricing models from other current or past transactions between TELUS (or any other Entity in the TELUS Group) and the Province, where applicable; and

- (c) Without limiting any party's rights under section 13.1 or 28 (including any right to arbitration), Disputes regarding the application of the Pricing Principles in respect of Change Orders or any new services added to the Services will be escalated through all levels of the Governance Process and ultimately to the Joint Executive Governance Committee. If any such Dispute is escalated to the Joint Executive Governance Committee because it cannot be resolved at lower levels of the Governance Process, then the following will apply:
- (i) both TELUS and the GPS Group will present pricing examples and evidence regarding the proposed pricing at the Joint Executive Governance Committee, with TELUS being responsible for defending its view of the pricing it has offered and the GPS Group being responsible for offering market evidence to demonstrate that the pricing TELUS has offered is not consistent with the Pricing Principle set out in paragraph (a) above; and
 - (ii) the Joint Executive Governance Committee will review the Dispute and attempt to resolve it in accordance with the Dispute Resolution Process. For clarity the review will be limited to a review of the application of the Pricing Principles, but will not be to set prices.

17. INVOICING AND PAYMENT

17.1 Billing Format

- 17.1.1 Each month, TELUS shall provide each GPS Entity with invoices for all Services for that GPS Entity for Core Services supplied to it in accordance with the billing content, format, delivery, invoice timing and other requirements, set out in Schedule P or as otherwise acceptable to the GPS Entity.
- 17.1.2 Where invoices do not match Services provided or the requirements of this Agreement (including those set forth in Schedule P), then the GPS Entity shall pay any undisputed Fees and any further dispute with respect to such invoice shall be resolved as an Expedited Dispute.
- 17.1.3 Invoices must be accompanied by any receipts or documentation required to support expenses allowed under this Agreement, and the applicable monthly Fee and Core Service usage reports set out in Schedule M.
- 17.1.4 The payment of any invoice by a GPS Entity will not be deemed to be Approval or acceptance of such invoice, and no such payment will preclude a GPS Entity from contesting any amount set forth in an invoice at any later date in accordance with the provisions of section 17.6.

17.2 Several Obligations

- 17.2.1 TELUS expressly acknowledges and agrees that each GPS Entity is severally liable to TELUS hereunder and not jointly liable for any Fees or any other amounts owing by any other GPS Entity hereunder.

17.3 Method of Payment

17.3.1 The GPS Entities will pay the Fees to TELUS on the following terms:

- (a) the Fees will be payable monthly and in any event no later than the date which is 45 days, after receipt by a GPS Entity of an invoice from TELUS in a form that is in compliance with this Agreement (with receipt being deemed to have occurred hereunder three (3) days after mailing or immediately in the event of electronic delivery), such invoice not to be delivered by TELUS to the GPS Entities before the end of the Service period for which it relates;
- (b) where TELUS provides a Service that is charged on a fixed monthly fee basis for a partial month, the Fees in respect of such Service will be pro rated based on the actual number of days during such month that such Service was performed;
- (c) notwithstanding the payment date set forth above, interest on any overdue amounts will only be payable at the rates and in respect of the periods as set forth in the *Interest on Overdue Accounts Payable Regulation* (B.C. Reg. 215/83), as amended or replaced from time to time, and where such regulation has been revoked and not replaced, at the last rate and time period calculated thereunder; and
- (d) all Fees calculated or otherwise set forth in this Agreement are exclusive of all applicable Taxes unless otherwise expressly stated in this Agreement (including, without limitation, the provisions of section 17.4).

17.4 Taxes

17.4.1 TELUS shall be responsible for all Taxes exigible on, imposed in respect of or relating to the revenues or Fees earned by TELUS from the Services pursuant to this Agreement including Taxes based on its own capital or net income, employment Taxes in respect of its own employees, and Taxes on any property owned by TELUS, and shall be responsible for arrangements to pay all such Taxes in a timely manner when due and payable. Each GPS Entity shall be severally, but not jointly, responsible for and shall pay or reimburse TELUS, as applicable, for all Taxes which are consumer Taxes relating to the Services imposed in respect of the consumption of goods or services, including HST applicable to the Fees for the Services. Each GPS Entity acknowledges that the Fees as set out in Price Book are not inclusive of HST or any similar sales or value added Tax payable by the GPS Entities. If the HST is repealed in British Columbia, any Services under this Agreement provided after the effective date of repeal and paid for with Crown funds will not be subject to GST, except that, if the Government of the Province of British Columbia agrees with the Government of Canada to continue paying GST then such tax will continue to apply to the Services. If the provincial sales tax is reinstated in British Columbia, then each GPS Entity shall be severally, but not jointly, responsible for and shall pay TELUS all provincial sales tax applicable to the Fees for the Services.

17.5 Right of Set-Off

17.5.1 Any amounts owed to a GPS Entity:

- (a) by TELUS under this Agreement, any other Transaction Agreement or otherwise in respect of the Services, including Service Level Credits, but excluding any amounts under Dispute; or
- (b) by TELUS under any other agreement entered into now or in the future between TELUS and the GPS Entity that is not related to this Agreement, but excluding amounts in dispute thereunder in accordance with its terms,

may be set-off by such GPS Entity against Fees and other charges payable by the GPS Entity to TELUS under this Agreement, or may be deducted from any sum due or which at any time may become due to TELUS under this Agreement. To the extent that there are any amounts owing by TELUS to any GPS Entity upon the termination or expiry of this Agreement, whether by credits or otherwise, and there are no further Fees to set-off such amounts, then TELUS will pay such amounts directly to applicable GPS Entity and failing such payment the GPS Entities may set such amount off against any other amounts owed under any other agreement with TELUS. The GPS Entities will give TELUS notice of such set-off under paragraph (b) above.

17.6 Disputed Payments

17.6.1 Despite the payment of any fees or expenses under this Agreement, any GPS Entity may, acting in good faith, dispute any amounts in an invoice as an Expedited Dispute and, if it has not yet paid the disputed amount, may withhold payment of the disputed amount, subject to the following conditions:

- (a) where the GPS Entity is withholding payment, the GPS Entity provides to TELUS concurrently with the withholding of the dispute amount notice of the disputed amount and a reasonably detailed explanation of the basis of the dispute; and
- (b) if TELUS does not agree that the GPS Entity should be credited with, or entitled to withhold, the full disputed amount, then such disagreement shall be deemed to be an Expedited Dispute.

17.6.2 The parties agree that any interest accrued on any amount owed to or overpaid by one party to another shall be apportioned between those parties in the same manner as in the resolution of the disputed amount.

17.6.3 Any payment disputes shall not affect TELUS' obligations to provide the Services at agreed Service Levels or in accordance with any other of TELUS' obligations under this Agreement.

17.6.4 For greater certainty, each GPS Entity agrees that nothing in this section 17.6 shall limit a GPS Entity's obligation to pay undisputed amounts in respect of the Fees.

18. REPORTING AND ANNUAL OPERATING PLAN

18.1 Reporting Generally

18.1.1 TELUS will prepare or cause to be prepared, and will provide to the GPS Entities the reports and information described in Schedule M, which reporting requirements will be subject to adjustment or amendment by the parties through the Change Process.

18.2 Continuous Reporting Tools

18.2.1 TELUS shall provide each GPS Entity with continuous real time reporting tools (including Ad Hoc Reporting Tools and Performance Monitoring Tools) and access in the manner set forth in Schedule M.

18.3 Annual Review of Reporting Requirements

18.3.1 The parties, through the Governance Process, will conduct an annual review of the then current reporting requirements under this Agreement and will consider any changes to the current reporting requirements as the parties may determine to be appropriate or desirable.

18.4 Changes to Reporting Requirements

18.4.1 The parties acknowledge that the reporting requirements set forth in Schedule M will evolve over the Term as a result of the addition of Available Services, changes made through the Change Process and otherwise. Any changes that are made to the reporting requirements will be deemed implemented through the Change Process.

18.5 Format of Reports

18.5.1 To the greatest extent possible, the parties will use web-enabled reports and direct electronic access to data and query reports to meet the reporting and informational needs of the GPS Entities. The parties agree to minimize the amounts and types of paper based reporting.

18.6 Annual Review Report

18.6.1 TELUS will, with the co-operation and assistance of the GPS Entities through the Governance Process, prepare and provide to the GPS Entities a report at the end of each GPS Fiscal Year that summarizes key operational, service, governance and related issues from that GPS Fiscal Year.

18.7 Annual Operating Plan

18.7.1 TELUS will, with the co-operation and assistance of the GPS Entities through the Governance Process, prepare and provide to the GPS Entities an annual operating plan (the "**Annual Operating Plan**") that will be a key planning document utilized in the provision of the Services, consisting of:

- (a) a summary of steps being taken to address any issues identified in the annual review report prepared pursuant to section 18.6.1;

- (b) a summary of the financial and operational changes for the Services in the next most immediate GPS Fiscal Year, based upon the most current annual estimate available;
- (c) a survey, review and analysis of the Hardware, Software and Systems (including the Network) and resources used to provide the Services;
- (d) strategies to assist in realizing the objectives set forth in section 1.5;
- (e) an analysis of the operations by TELUS with recommendations for changes to reduce costs, improve efficiencies and improve the satisfaction of the GPS Entities;
- (f) a description of any planned changes to the Services for the following GPS Fiscal Year, to the extent known;
- (g) a description of any proposed material changes in the way TELUS wishes to provide the Services;
- (h) a review and analysis of any projects performed over the previous GPS Fiscal Year and summary of recommended projects for the next immediate GPS Fiscal Year, to the extent known;
- (i) any planned system or resource acquisitions to provide for additional Network capacity and volume, or to otherwise exploit new technological or business process developments, which shall take into account and reflect the Technology Roadmap; and
- (j) such other matters as may be mutually agreed to by the parties through the Governance Process.

18.7.2 No later than the commencement of the next GPS Fiscal Year, TELUS will develop, prepare and provide to the GPS Entities, through the Governance Process, a proposed Annual Operating Plan for the next GPS Fiscal Year, with the first Annual Operating Plan being delivered on or before March 31, 2012. Within 30 days following receipt of the proposed Annual Operating Plan, the parties, through the Governance Process, will jointly Approve the Annual Operating Plan or discuss any modifications or changes required thereto, and TELUS will provide the GPS Entities, through the Governance Process, with a revised Annual Operating Plan incorporating any such modifications or changes. Any disagreement with respect to the Approval of the Annual Operating Plan shall be deemed to be an Expedited Dispute.

19. MAINTENANCE OF RECORDS AND AUDIT RIGHTS

19.1 Maintenance of Books and Records

19.1.1 During the Full Term, TELUS shall:

- (a) maintain accurate and complete records related to this Agreement, including facilities, installation and maintenance records and supporting documents (the “**Agreement Records**”), as may be necessary to enable the GPS Entities to

verify compliance by TELUS with the terms of this Agreement and to ascertain the accuracy of all financial matters arising hereunder; and

- (b) cause Subcontractors to maintain complete and accurate Agreement Records related to the activities undertaken by such Subcontractors as may be necessary to enable the GPS Entities to verify compliance by such Subcontractors, with the terms of this Agreement and to ascertain the accuracy of all financial matters arising hereunder.

19.1.2 For a period of seven (7) years after the end of the Full Term (or such longer period as may be required by Applicable Law), TELUS shall maintain accurate and complete invoicing records with respect to Fees invoiced by TELUS under this Agreement as may be necessary to enable the GPS Entities to verify the invoices delivered by TELUS under this Agreement.

19.1.3 Without limiting the generality of the foregoing TELUS shall ensure that all Agreement Records shall be in conformity with GAAP and the requirements of Applicable Laws.

19.1.4 This section 19 shall in no way limit TELUS' Privacy Obligations and to the extent that there is any conflict, the Privacy Obligations shall prevail.

19.2 Access Rights

19.2.1 During the Full Term and for a period of seven (7) years after the end of the Full Term, upon reasonable prior written request of a GPS Entity, TELUS shall permit such GPS Entity and its auditors and their respective other authorized representatives (for audits or investigations under sections 19.2.3(d) and (e), any such auditor and authorized representative must be a Security Authorized Representative or a Designated Security Prime, as such terms are defined in Schedule R), at such reasonable times to be agreed between such GPS Entity and TELUS, to access and make a reasonable number of copies of the Agreement Records as they relate to such GPS Entity and any accounting procedures and practices, cost analyses and any other supporting financial or operational data, including invoices, payments or claims and receipts, pertaining to this Agreement.

19.2.2 Subject to the conditions set out in section 19.2.3(i), TELUS will provide reasonable access to electronic records, such as logs and operational data, that are related to this Agreement and to physical infrastructure that is used to provision the Services as needed to complete an audit or security or privacy-related investigation by a GPS Entity. TELUS further agrees that subject to the limitations and restrictions otherwise set forth in this section 19, it shall provide a GPS Entity with such other assistance as reasonably requested from time to time in meeting such GPS Entity's audit requirements.

19.2.3 With respect to the access granted pursuant to sections 19.2 or 19.3, the GPS Entities agree as follows:

- (a) Any access by a GPS Entity granted pursuant to this section 19.2 shall be subject to TELUS privacy, security and safety policies that TELUS provides in writing to the GPS Group in advance, subject to such policies not being in conflict with the Policies, Applicable Law or otherwise with the terms of this Agreement (including any access rights granted pursuant to this Agreement).

- (b) To the extent reasonably possible and where the GPS Entity's rights are not prejudiced, GPS Entity access shall be limited to Business Hours of TELUS.
- (c) Subject to sections 19.2.3(d) and 19.2.3(e), the GPS Entity will provide TELUS with fourteen (14) days prior written notice:
 - (i) to the extent reasonably possible;
 - (ii) where the GPS Entity's rights are not prejudiced; and
 - (iii) subject to the Policies, Applicable Law and the terms of this Agreement.
- (d) Where the GPS Entity is conducting an audit or investigation with respect to a privacy or security incident, the GPS Entity will provide TELUS with at least five days prior written notice.
- (e) Where a GPS Entity is conducting an audit or investigation with respect to a breach or anticipated breach by TELUS of the Privacy Obligations or Security Obligations, TELUS will grant access immediately upon notice by the GPS Entity.
- (f) Where a GPS Entity utilizes a third party auditor, TELUS has the right to require such auditor to sign a direct confidentiality agreement with TELUS subject to such confidentiality agreement being reasonable and consistent with the terms of this Agreement.
- (g) Nothing contained in this section 19.2 or section 19.3 shall require TELUS to disclose TELUS' costs of delivering the Services, other than as specifically required to verify a commitment of TELUS herein that is cost related.
- (h) Any access by a GPS Entity and its auditors and their respective other authorized representatives under this section 19.2 will be escorted by TELUS or its authorized representative, and TELUS shall make reasonable efforts to respond to questions relating to the investigation as posed by a GPS Entity, its auditors or their respective other authorized representatives.
- (i) Expressly as provided otherwise herein, any access granted to a GPS Entity and its auditors and their respective other authorized representatives under this section 19.2 will be strictly observational in nature and will not include any physical access to or manipulation of any TELUS Equipment, TELUS Intellectual Property or other property or interests of the TELUS Group other than Agreement Records or other records described in section 19.2.2. If any such physical access or manipulation is necessary in order to complete the audit or security or privacy-related investigation by a GPS Entity, TELUS will undertake the activity and provide the results to GPS Entity, its auditors or their respective other authorized representatives, as applicable.
- (j) Any GPS Entity granted access under sections 19.2.3(d) and (e) shall pay any extra ordinary costs and expenses TELUS incurs in connection therewith.

19.3 Audit Rights

19.3.1 Any GPS Entity may at any time and from time to time, for the duration of the Full Term and for the year immediately following expiry of the Full Term, appoint an internal or external auditor or other professional advisor to review and confirm or verify any aspect of this Agreement including without limitation:

- (a) any matter related to the operational aspects of this Agreement and the Services including, without limitation, to certify and verify:
 - (i) the integrity of the GPS Confidential Information, including without limitation the completeness, accuracy, timeliness, confidentiality, availability and security in respect thereof;
 - (ii) privacy and security processes of TELUS;
 - (iii) stability and security of the Network, systems and processes utilized by TELUS as they relate to the provision of the Services;
 - (iv) accuracy of all reports provided by TELUS to the GPS Entity or the Administrator hereunder (including the raw data from which such reports are compiled);
 - (v) general controls, practices and procedures utilized by TELUS as they relate to the provision of the Services; and
 - (vi) that the Services are being provided in accordance with the terms of this Agreement including the Service Levels and in accordance with all Applicable Laws; and
- (b) any matter related to the financial or business aspects of this Agreement including verifying compliance with obligations relating to the accuracy of all charges to the GPS Group, all Fees paid or payable by the GPS Group and the accuracy of financial information provided by TELUS in respect of the calculation of Fees or credits or reductions in respect of the same.

19.3.2 The GPS Group agrees that routine non-event driven audits shall not be conducted within forty five (45) days following TELUS' fiscal year end.

19.3.3 The GPS Entity conducting the audit shall pay the costs and expenses of such auditor or other professional advisor retained by such GPS Entity to conduct or assist with such review or audit except as otherwise provided in section 19.3.7, and TELUS shall pay for and shall not seek reimbursement from the GPS Group of all costs incurred by TELUS in connection with such review or audit by the auditor or other professional advisor appointed by such GPS Entity, including the cost of the time and effort of TELUS and its Personnel and Subcontractors to comply with the requests and requirements of such auditor or other professional advisor in respect of such review or audit.

19.3.4 For greater certainty, the GPS Entity may, in connection with the exercise of its audit rights pursuant to this section 19.3, exercise or cause TELUS to exercise rights in

respect of agreements with Subcontractors to audit the applicable Subcontractors in the same manner as set forth herein.

19.3.5 In respect of the conduct of any audit by a GPS Entity, such GPS Entity agrees as follows:

- (a) the auditors will be qualified and trained to levels appropriate to conduct the audits being conducted;
- (b) where terms of reference are prepared by the GPS Entity in respect of an audit, TELUS will have an opportunity to review and provide the GPS Entity with comments on the same;
- (c) where reasonably possible and appropriate, TELUS will have an opportunity to respond to the audit results before they are finalized; and
- (d) the Administrator shall be responsible to coordinate all audits and follow up from audits to reduce duplication.

19.3.6 Following delivery to TELUS of an audit or investigation report that outlines Audit Deficiencies of TELUS, the GPS Entity and TELUS shall meet as soon as possible in order to discuss such Audit Deficiencies. Any Audit Deficiencies shall (unless otherwise restricted in this Agreement) be brought to the attention of the GPS Group as soon as reasonably possible after the same have been identified. Subject to any alternative agreement reached by the GPS Entity and TELUS at such meeting, TELUS shall as soon as reasonably possible (but in any event not more than thirty (30) days) develop and present a report to the GPS Group outlining timely corrective action with respect to such Audit Deficiencies. Such report shall include a sufficient level of detail to allow the GPS Group to assess the appropriateness of the proposed corrective action and plan, including a description of the Audit Deficiency, the specific action to be taken and a specific implementation schedule including specific dates and Personnel responsible for taking the corrective action.

19.3.7 All costs of record keeping and costs of audits incurred by a party shall, unless otherwise provided in this Agreement, be the responsibility of that party. Notwithstanding the foregoing, where an audit reveals a material error or deficiency within the reasonable control of TELUS, then TELUS shall pay all reasonable costs and expenses of the GPS Entity in respect of such audit.

19.3.8 Where the internal or external audit, investigation or other processes of TELUS Group identify the potential for any Audit Deficiency then TELUS shall promptly notify the GPS Group of such potential Audit Deficiency and provide to the GPS Group as soon as reasonably possible an assessment of the impact of such potential Audit Deficiency and TELUS' proposed resolution of the same.

19.4 Process and Control Audit

19.4.1 TELUS shall during the Term at its expense undertake a SSAE 16 Type 2 SOC 1 report for TELUS' core network, annually and concurrently with TELUS undertaking its corporate wide process and control audit and promptly provide the GPS Group with a copy of the audit report related thereto. Prior to undertaking the SSAE 16 Type 2 SOC 1

report TELUS will review the scope with the Administrator to ensure the SSAE 16 Type 2 SOC 1 report encompasses their requirements, where such requirements can be incorporated in a SSAE 16 Type 2 SOC 1 report and reported out by TELUS' auditors engaged to perform the work.

- 19.4.2 Prior to providing the audit report to the GPS Group, TELUS may delete any information about, or references to, a specific TELUS customer other than the GPS Group which may be contained in the report. TELUS shall also provide the GPS Group with a copy of any response or follow up report prepared by TELUS or its auditors to deficiencies identified in the SSAE 16 Type 2 SOC 1 report which relate to the Available Services or TELUS labour, assets, facilities (including the Network and any data centres) used by TELUS to deliver the Available Services.
- 19.4.3 Any existing or future Available Services which a GPS Entity subscribes for from TELUS under this Agreement during the Term, TELUS and the GPS Group, each acting reasonably, shall mutually determine whether any other additional Canadian Institute of Chartered Accountant process and control audits are appropriate for such Available Services, which audits may include the relevant elements outlined in the CICA Trust Services Principles and Criteria (including the elements of a SysTrust audit and a WebTrust audit or their successors) or supplementing the SSAE 16 Type 2 SOC 1 report. The determination of whether additional TELUS audit requirements are appropriate shall be made annually by TELUS and the GPS Group or, where the Available Service by its very nature will require a systems review or audit or both prior to implementing the Available Service, at the time that the Available Service is added to this Agreement.
- 19.4.4 TELUS shall advise the GPS Group when TELUS corporate audit planning process will take place sufficiently ahead of time for the GPS Group to prepare for and participate in that process, as appropriate.
- 19.4.5 Any audit reports and related material provided by TELUS to the GPS Group pursuant to this section 19.4 shall constitute TELUS Confidential Information supplied by TELUS for the purposes of section 22 of this Agreement.

20. ACKNOWLEDGEMENTS, COVENANTS, REPRESENTATIONS AND WARRANTIES

20.1 Representations of TELUS

- 20.1.1 TELUS represents and warrants to each GPS Entity at the time of its execution of this Agreement and, unless set out otherwise, throughout the Full Term, and acknowledges that each GPS Entity is relying thereon, as follows:
- (a) it is duly formed and validly existing under the laws of its jurisdiction of formation or continuance and is and shall be throughout the Full Term duly authorized to carry on business in British Columbia;
 - (b) it has the power and authority to enter into, execute and deliver this Agreement, which has been duly executed and delivered by it, and this Agreement constitutes a legal, valid and binding obligation of TELUS enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights, and

to the fact that specific performance and injunction are equitable remedies available only in the discretion of the court;

- (c) neither the execution and delivery of this Agreement nor the compliance with the terms of this Agreement by TELUS:
 - (i) has resulted or will result in a violation of any Applicable Laws;
 - (ii) has resulted or will result in a breach of, or constitute a default under, TELUS' constating documents, any shareholders' agreement to which it is a party, or any shareholder or directors' resolutions;
 - (iii) has resulted or will result in a breach of, or constitute a default under, any instrument or agreement to which TELUS is a party or by which TELUS is bound; or
 - (iv) requires the approval or any consent of any Entity or any Governmental Authority except such as has been obtained as of the date of this Agreement;
- (d) its execution and delivery of this Agreement have been duly authorized by all requisite action of it;
- (e) if necessary for any of the Services to be lawfully provided, all procedures and restrictions are in place with respect of the issue, transfer and ownership of shares to ensure that TELUS is and remains compliant with the foreign ownership and control restrictions set out under the *Telecommunications Act* (Canada);
- (f) all information, notices, reports and filings that are required to be made to any Governmental Authority in any connection with the Services and TELUS' performance of this Agreement have been and will be made on a complete and timely basis;
- (g) it is in full and timely compliance with, and adherence to, all Governmental Authority orders, decisions, policies, approved tariffs, rulings, consents, approvals, notice requirements, registrations, authorizations and decisions that may be required in connection with the Services and TELUS' performance of this Agreement at the relevant time;
- (h) if necessary for a particular Service to be lawfully provided, is registered with the CRTC as a Canadian carrier or telecommunications service provider to provide the particular Service;
- (i) it has not directly or indirectly made or promised any benefit or inducement to any public servant or any agent of any GPS Entity or to a direct relation or household member of such public servant with a view to influencing the entry into or administration of this Agreement;

- (j) all material information, statements, documents and reports furnished or submitted by TELUS to any GPS Entity in connection with this Agreement are materially true, accurate and correct;
- (k) it has no knowledge of any fact that materially adversely affects or, so far as it can foresee, might materially adversely affect its ability to fulfil its obligations under this Agreement including knowledge of any proceeding or application that could have a materially adverse effect on its obligations or any GPS Entity's rights under this Agreement;
- (l) it is not a party to nor threatened with any litigation and has no knowledge of any Claims against it that would materially affect its ability to fulfil its obligations under this Agreement;
- (m) to the best of its knowledge, it has filed all material tax, corporate information and other returns required to be filed by the laws of British Columbia and Canada and has complied with all workers compensation legislation and other similar legislation to which it may be subject, and has paid all Taxes, fees and assessments calculated to be due by TELUS under those laws as of the date of this Agreement;
- (n) it holds all material permits, licences, consents and authorities issued by any level of government or any agency thereof, having proper authority, that are required by Applicable Law to provide the Services;
- (o) it has in place all necessary arrangements with, and licenses, consents and permission from, third parties that are required to perform the Services, including the right to grant to the GPS Entities the Software licensing rights and to the Province the Software resale rights described in Attachment H2-D;
- (p) to the best of its knowledge, it pays punctually as they become due all wages, salaries and Taxes (subject to any bona fide challenges by TELUS) required to be paid by it on any of its undertaking; and
- (q) the performance by TELUS of the Services and the performance and satisfaction of the liabilities and obligations of TELUS under this Agreement and Intellectual Property utilized or delivered by TELUS in respect of the Services does not and will not violate or infringe on or constitute a misappropriation of the Intellectual Property or rights of any Entity.

20.2 Representations and Warranties of the GPS Entities

20.2.1 Each GPS Entity severally, but not jointly, represents and warrants to TELUS on the execution of this Agreement, and at all times thereafter during the Full Term, and acknowledges that TELUS is relying thereon, as follows:

- (a) it has the power and authority to enter into, execute and deliver this Agreement, which has been duly executed and delivered by it, and this Agreement constitutes a legal, valid and binding obligation of the applicable GPS Entity enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the

enforceability of creditors' rights, and to the fact that specific performance and injunction are equitable remedies available only in the discretion of the court, subject to the *Crown Proceedings Act* (British Columbia);

- (b) it has the power and authority to perform its obligations under this Agreement as contemplated in this Agreement;
- (c) neither the execution and delivery of this Agreement nor the compliance with the terms thereof by it:
 - (i) has resulted or will result in a violation of any Applicable Laws; or
 - (ii) requires the Approval or consent of any Entity or any Governmental Authority except such as has been obtained as of the date of this Agreement.

20.2.2 Each GPS Entity severally, but not jointly, represents and warrants to TELUS on the execution of this Agreement, and acknowledges that TELUS is relying thereon, that the total monthly recurring Fees payable by the GPS Entities with respect to the first full calendar month of the Term for the provision of Services by TELUS with respect to Circuits listed in Schedule TT represents seventy five percent (75%) or more of the GPS Entities' total recurring spend with all of their respective service providers (including TELUS) on the same or similar data services for all of the Circuits listed in Schedule TT with respect to such month. The GPS Entities will, upon request by TELUS at anytime within 90 days of the Effective Date, provide TELUS with sufficient documentation for TELUS to validate that the GPS Entities have not breached the representation and warranty under this section 20.2.2.

20.2.3 The Province represents and warrants to TELUS and acknowledges that TELUS is relying thereon that it has the authority to enter into, execute, deliver and amend this Agreement as agent for and on behalf of each of the other GPS Entities.

20.3 Covenants of TELUS

20.3.1 TELUS agrees that:

- (a) it has and will provide and maintain throughout the Full Term of this Agreement sufficient trained, skilled and experienced Personnel, External Personnel and Subcontractors, as well as sufficient facilities, materials, required resources and approved Subcontracts in place and available to it to fully perform its obligations under this Agreement; and
- (b) all assets and Intellectual Property, including Hardware, Software and Systems supplied by TELUS to the GPS Group at any time during the Full Term including at the expiry of the Full Term shall be transferred, assigned or licensed (as applicable in accordance with the terms of this Agreement) where this Agreement expressly provides for such transfer, assignment or license, free and clear of all Liens at the time of transfer, assignment or license to the GPS Group.

20.4 Covenants of the GPS Entities

20.4.1 Each GPS Entity severally, but not jointly, agrees that:

- (a) it shall comply with the terms and conditions of this Agreement and all Applicable Laws of British Columbia and Canada with respect to this Agreement;
- (b) it shall exercise its rights, powers and authority and perform its obligations, duties, covenants and responsibilities under this Agreement in accordance with all Applicable Laws of British Columbia and Canada and consistent with the objectives set forth in section 1.5; and
- (c) it is responsible for:
 - (i) the use of the Services by any GPS End User or other Entity who accesses or uses the Service through it; and
 - (ii) the selection, supply, installation and maintenance of all data, Hardware, Systems, Software and services, on its side of the Demarcation Point, necessary for use of, or used in conjunction with, the Services.

20.5 Foreign Control

20.5.1 The parties acknowledge and agree that if TELUS becomes Foreign Controlled during the Term then based upon conflict of law principles the GPS Group has concerns relating to TELUS' compliance with its privacy obligations under this Agreement and in particular concerns relating to the disclosure of Personal Information at the request of a foreign body contrary to the terms of this Agreement and Applicable Laws which would be a material breach under this Agreement.

20.5.2 The parties further acknowledge and agree that the current obligations that TELUS is subject to under foreign ownership restrictions set out in the *Telecommunications Act* (Canada) substantially address this concern for the GPS Group and TELUS represents and warrants that TELUS Corporation has established procedures and restrictions in respect of the issue, transfer and ownership of TELUS Corporation voting shares to ensure that TELUS remains at all times compliant with the foreign ownership restrictions set out in the *Telecommunications Act* (Canada) and, as of the Effective Date, the non Canadian ownership of voting shares in TELUS Corporation does not exceed 33 $\frac{1}{3}$ %.

20.5.3 The parties agree that in the event of any amendment to the *Telecommunications Act* (Canada) which removes or substantially lessens the foreign ownership restrictions, then the parties shall promptly enter into negotiations regarding amendment to this section 20.5 in order to address the GPS Group's privacy concerns relating to foreign control as such concerns are more particularly set forth in section 20.5.1 which negotiations shall continue on a daily basis until a resolution satisfactory to all parties is concluded. Where a resolution satisfactory to all parties is not concluded within 90 days then any party can immediately escalate the issue to the Joint Executive Governance Committee which will meet on a regular basis until the matter is resolved.

20.6 No Volume Guarantee

20.6.1 TELUS acknowledges and agrees:

- (a) that, without in any way limiting the obligations of the GPS Entities under sections 31.6.2 and 31.6.3, no GPS Entity or GPS Entities have made and make no representations or warranties as to the type, timing, quantity or volume of Services required under this Agreement, or as to the volume of business that shall be handled by the TELUS or the compensation earned by the TELUS; and
- (b) that TELUS has been advised that historic information with respect to the type, timing, quantity and volume of Services must not be considered representative of the needs of any GPS Entity that may be required under this Agreement.

20.7 Disclaimer

20.7.1 Other than the representations and warranties expressly set out in this Agreement or another Transaction Agreement or as otherwise referenced herein, no party hereto makes any representation or warranty, express or implied, regarding any matter in connection with this Agreement including any representations as to merchantability or fitness for a particular purpose.

21. INTELLECTUAL PROPERTY RIGHTS

21.1 Ownership of Intellectual Property

- 21.1.1 The GPS Group shall, severally or jointly as applicable, be and remain the exclusive owner of all rights, title and interest in and to GPS Group Intellectual Property (notwithstanding where GPS Group Intellectual Property has been incorporated into a product or solution that is otherwise TELUS Intellectual Property).
- 21.1.2 TELUS, the TELUS Group, and/or TELUS' third party suppliers (as appropriate) shall be and remain the exclusive owner of all rights, title and interest in and to TELUS Intellectual Property.
- 21.1.3 Except as expressly provided by this Agreement, nothing in this Agreement or in the relationship of the parties shall confer any right or license in or upon a party in respect of another party's Intellectual Property (including as between GPS Entities).
- 21.1.4 TELUS hereby assigns to the GPS Group all right, title, and interest in and to any New Material that TELUS or any Affiliate, Subcontractor, Personnel or External Personnel may create at any time.
- 21.1.5 The GPS Group hereby acknowledges that TELUS may use the New Material on a non-exclusive, royalty-free basis during such portion of the Full Term as may be necessary for the purpose of TELUS providing the Services to the GPS Group or any GPS End User under this Agreement or for the enforcement of its rights under this Agreement and for no other purpose.
- 21.1.6 TELUS shall deliver to the GPS Group documents satisfactory to the GPS Group waiving in the GPS Group's favour any moral rights which TELUS, its Affiliates,

Personnel, External Personnel or Subcontractors may have in the New Material and confirming the vesting of the ownership and copyright in the GPS Group.

21.2 License to Intellectual Property

21.2.1 TELUS hereby grants to the GPS Group, at no cost for the Full Term except as otherwise payable under this Agreement, a license to access and use any reporting tools used in connection with the Services and any monitoring Software or other Software provided under or in respect of this Agreement including the Reporting Tools.

21.2.2 Subject to any restrictions imposed by Applicable Law, TELUS hereby grants to the GPS Group a perpetual, royalty free, assignable license (with full direct and indirect sublicense rights) to any of the following to the extent specific to the GPS Entities:

- (a) configuration information reasonably required by the GPS Entities for continuity of services and router profiles; and
- (b) service delivery profile identifiers (such as telephone numbers and identifiers similar to IP addresses) used to provide the Services, except where TELUS does not have the right to license such identifiers or where it is not technically feasible or would result in a material additional operational burden for TELUS to license such identifiers,

which are assigned to or directly used in respect of the Services and which are not GPS Group Intellectual Property.

21.3 Assignments and Waivers from Employees and Contractors

21.3.1 TELUS shall ensure that all Personnel and External Personnel of TELUS and any of its Affiliates, and any other individuals who create, invent, or otherwise contribute to the development of any New Material will:

- (a) assign to TELUS or, where applicable, directly to the GPS Group or a party designated by the GPS Group all rights, title, and interest therein; and
- (b) waive all moral rights and similar rights therein.

21.4 Third Person Intellectual Property

21.4.1 The Third Party Material will be delivered by TELUS to the GPS Group upon the GPS Group's request. TELUS acknowledges that the GPS Group may use the Third Party Material during the Full Term on a non exclusive, royalty free basis for the purposes of each GPS Entity's operations in accordance with any reasonable terms and conditions imposed by the third party.

22. CONFIDENTIALITY

22.1 GPS Confidential Information

22.1.1 TELUS shall treat as confidential and shall not, without the prior written consent of the applicable GPS Entities, publish, release or disclose or permit to be published, released

or disclosed either before or after the expiration or sooner termination of this Agreement, this Agreement (excluding TELUS Confidential Information), all Service Orders, any New Material, GPS Originated Material or other proprietary confidential information of the GPS Entities supplied to, obtained by, or which comes to the knowledge of TELUS as a result of this Agreement or another Transaction Agreement (collectively “**GPS Confidential Information**”), except, subject in all cases to the Privacy Obligations:

- (a) insofar as such publication, release or disclosure is:
 - (i) to TELUS, Subcontractors or third party suppliers and contractors of the GPS Entities or as otherwise consented to by the applicable GPS Entity as necessary to enable TELUS to fulfil its obligations under this Agreement;
 - (ii) required by British Columbia or Canadian law including, without limitation, FOIPPA, the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Telecommunications Act* (Canada) (including disclosures to the CRTC as required thereunder); or
 - (iii) to TELUS’ auditors, legal or other professional advisors.

22.1.2 Without restricting the generality of section 22.1.1, TELUS shall comply with such directions as the GPS Entities may make, acting reasonably, with respect to ensuring the confidentiality of the GPS Confidential Information, which direction may include without limitation the following:

- (a) restrictions upon personnel to be permitted access to confidential information;
- (b) restrictions upon time and place of access and methods of reproduction, if any;
- (c) without limiting the generality of section 22.1.3, restrictions upon uses to which such information or material may be put by TELUS; and
- (d) imposition of other procedures to ensure secrecy, both prior to and subsequent to termination of this Agreement.

22.1.3 For greater certainty, to the extent that GPS Confidential Information includes any Personal Information, such GPS Confidential Information shall also be subject to the Privacy Obligations. To the extent that there is a conflict between this section 22 and the Privacy Obligations, the Privacy Obligations shall prevail.

22.1.4 Except to the extent required by British Columbia or Canadian law including, without limitation, FOIPPA, the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Telecommunications Act* (Canada) (including disclosures to the CRTC as required thereunder), TELUS shall not use the GPS Confidential Information for any purposes whatsoever other than to the extent reasonably required to perform its obligations and exercise or enforce its rights under this Agreement or another Transaction Agreement.

22.2 TELUS Confidential Information

22.2.1 The Administrator and each GPS Entity shall treat as confidential and shall not, without the prior written consent of TELUS, publish, release or disclose or permit to be published, released or disclosed, either before or after the expiration or sooner termination of this Agreement, any TELUS Intellectual Property supplied to, obtained by, or which comes to the knowledge of such party as a result of this Agreement or another Transaction Agreement and which TELUS Intellectual Property is clearly marked "Confidential" (collectively, "**TELUS Confidential Information**") except:

- (a) insofar as such publication, release or disclosure is:
 - (i) necessary to enable the applicable Administrator or GPS Entity to fulfil its obligations under this Agreement; or
 - (ii) required by British Columbia or Canadian law including, without limitation, FOIPPA; or
- (b) to the applicable GPS Entity's or Administrator's auditors, legal or other professional advisors.

22.2.2 Without restricting the generality of section 22.2.1(a), each GPS Entity will comply with such directions as TELUS may make, acting reasonably, with respect to ensuring confidentiality of the TELUS Confidential Information.

22.2.3 The Price Book, Schedule J (Service Level), Schedule U (Indemnification Matter) Schedule V (Limitation of Liability), Schedule MM (Revenue Commitment) and the financial information provided by TELUS to a GPS Entity with respect to audits conducted under this Agreement, except to the extent such information is GPS Confidential Information (collectively, the "**Financial Information**") is expressly deemed to be TELUS Confidential Information. TELUS expressly advises the GPS Entities that the Financial Information contains trade secret, commercial and technical information of a highly sensitive nature, such Financial Information has been supplied to the GPS Entities in confidence and the disclosure of the Financial Information would harm significantly the competitive position of TELUS, provide an unfair competitive advantage to its competitors and cause financial loss to TELUS.

22.3 General Confidentiality Obligations

22.3.1 Subject to the Privacy Obligations, the obligations of confidentiality contained in this section 22 shall not apply to any information to the extent that a party can reasonably demonstrate that such information:

- (a) was, at the time of disclosure to the receiving party, in the public domain;
- (b) after disclosure to the receiving party, is published or otherwise becomes part of the public domain through no fault of the receiving party or any Affiliate or Subcontractor thereof;
- (c) was in the possession of the receiving party at the time of disclosure to it and was not the subject of a pre-existing confidentiality obligation;

- (d) was disclosed independently to the receiving party by a third party without any confidentiality obligations, provided such third party, or any other party from whom such third party receives such information, is not in breach of any confidentiality obligations in respect of such information;
- (e) was independently developed by the receiving party without use of any Confidential Information of the other party;
- (f) is disclosed with the prior written Approval of the disclosing party or parties, but only to the extent Approved by such parties; or
- (g) is included in the Summary Report.

22.3.2 Nothing in this section 22 shall be construed as obligating a party to disclose its Confidential Information to the other parties or as granting or conferring on a party, expressly or impliedly, any right, title or interest or any licence to the Confidential Information of the other parties.

22.3.3 Subject to all Applicable Laws including the *Crown Proceeding Act* (British Columbia), in the event of any breach of this section 22, the non defaulting party or parties shall be entitled to seek preliminary and permanent injunctive relief, which remedy shall be in addition to any other rights or remedies to which such party or parties may be entitled under this Agreement or otherwise under Applicable Laws.

22.4 Disclosure Compelled by Law

22.4.1 Subject to the Privacy Obligations, a party shall not be considered to have breached its confidentiality obligations under this section 22 for disclosing any Confidential Information of another party to the extent that such disclosure is required to satisfy any British Columbia or Canadian Applicable Laws, such disclosure does not involve Personal Information, and provided that the party required to make such disclosure (the "**Compelled Party**"):

- (a) promptly upon receiving any such request if the disclosure is not being made pursuant to a request by a third party and within a reasonable time prior to disclosure (if possible), notifies the applicable party of the terms and circumstances of the requested or anticipated disclosure, including when the Compelled Party expects to make the disclosure;
- (b) consults with the other party regarding the nature and scope of such request or anticipated disclosure and the response or other position that the Compelled Party intends to take with respect to such request;
- (c) does not obstruct or interfere with, and to the extent practical, permits the other party to obtain, a protective order or other remedy to prevent, object to, enjoin, narrow the scope of, or otherwise contest the requested disclosure;
- (d) if the other party is unable to obtain a protective order or other similar remedy prior to the time the Compelled Party advises it will be disclosing, then the Compelled Party shall only disclose such of the Confidential Information that it is legally obligated to disclose; and

- (e) where available, makes and reasonably pursues a request, that is reasonable and customary in the circumstances, to the applicable Governmental Authority, for confidential treatment of the information to be disclosed pursuant to such Applicable Laws.

22.5 Notification of Unauthorized Use of Confidential Information

22.5.1 Without limiting any other obligations set forth in this Agreement including the Privacy Obligations, each party shall:

- (a) promptly notify any other party of any unauthorized possession, use, access or disclosure, or attempt to effect the same, of the other party's Confidential Information by any Entity that has become known to such party;
- (b) promptly furnish the other party with details of such unauthorized possession, use, access or disclosure of which the party is aware, or attempt to effect the same and use reasonable efforts assist the other party in investigating or preventing the recurrence of any unauthorized possession, use, access or disclosure, or attempt to effect the same, of the other party's Confidential Information;
- (c) use reasonable effort to cooperate with the other party in any litigation and investigation against third parties deemed necessary by the other party to protect its Confidential Information; and
- (d) promptly use reasonable efforts to prevent a recurrence of any such unauthorized possession, use, access or disclosure of the other party's Confidential Information.

23. COMMUNICATIONS

23.1 Publicity

23.1.1 TELUS will not make any public announcement relating to this Agreement without the prior written approval of the GPS Group other than as may be required under Applicable Law.

23.1.2 Without restricting the generality of section 23.1.1, TELUS will submit to the GPS Group and any applicable GPS Entity for its prior written approval all advertising, written sales promotion, press releases, public notices and all other publicity matters or materials relating to this Agreement or any other transaction contemplated by this Agreement, or in which any GPS Entity's name or mark is mentioned or language from which the connection of said name or mark may be inferred or implied (the "**Publicity Materials**"), and will not publish or use any Publicity Materials without prior consultation with and the written approval of the GPS Group and the applicable GPS Entity, such approval not to be unreasonably withheld. Notwithstanding the foregoing, TELUS may include a GPS Entity's name and a factual description of the work performed under this Agreement only on employee bulletin boards, in internal business planning documents and whenever otherwise required by reason of legal, accounting or regulatory requirements.

23.1.3 Each GPS Entity shall submit to TELUS any proactive press releases of a marketing nature directly referencing TELUS: (a) in the context of the Services; or (b) specifically in respect of the Services, and will not publish any such press releases without first obtaining the prior Approval of TELUS. For greater certainty, this limitation of the GPS Entities shall not apply to press releases that are responding to issues, statements or other circumstances including Service Level Failures. Nothing contained in this Agreement shall modify the obligations of each GPS Entity under section 22.2 with respect to TELUS Confidential Information.

24. PRIVACY

24.1 Privacy Obligations

24.1.1 TELUS expressly acknowledges that:

- (a) except as expressly provided in Schedule VV and only to the extent required to provide the Services, it has no obligation or right to obtain any Personal Information of any GPS Entity or any GPS End User in respect of this Agreement or the Strategic Relationship Agreement or its performance of its obligations hereunder or under the Strategic Relationship Agreement; and
- (b) it is a “service provider” as defined in FOIPPA.

24.1.2 Except as expressly provided for herein, with respect to Personal Information of any GPS Entity, TELUS agrees as follows with respect to both this Agreement and the Strategic Relationship Agreement (collectively with Schedule Q, the “**Privacy Obligations**”):

- (a) Subject to any express direction from the applicable GPS Entity in writing and except as expressly provided herein, TELUS shall not take any action or fail to take any action, that in either case results in TELUS intercepting, obtaining or otherwise gaining access to any Personal Information of a GPS Entity or any GPS End User.
- (b) If TELUS inadvertently intercepts, obtains or otherwise gains access to Personal Information of a GPS Entity or any GPS End User of a GPS Entity then it shall promptly and as soon as possible advise such GPS Entity of the same and it shall immediately follow any direction from such GPS Entity in respect of such Personal Information including, without limitation, providing all copies to the GPS Entity or destroying all copies of the Personal Information in the possession of TELUS.
- (c) Where TELUS is required to have access, custody, have copies or otherwise use any Personal Information of a GPS Entity or any GPS End User of a GPS Entity, as specifically directed in writing by such applicable GPS Entity, then TELUS agrees that:
 - (i) it shall only access, retain custody, hold copies or otherwise use such Personal Information in accordance with any instructions or directions provided to TELUS in conjunction with the GPS Entity’s written direction

in respect of such Personal Information (unless otherwise expressly permitted); and

- (ii) TELUS shall at all times comply with and ensure that its Affiliates, all of its Personnel and TELUS Group and their External Personnel complies with the obligations set forth in Schedule Q, as applicable, as such Schedule is generally amended by the Administrator from time to time (subject to the Change Process).
- (d) For clarity, any direction, consent or authorization of one GPS Entity shall not be considered to be a direction, consent or authorization from or on behalf of any other GPS Entity.

24.2 FOIPPA Inspections

24.2.1 TELUS acknowledges that under FOIPPA, the Commissioner under FOIPPA has the power to obtain information and evidence from Entities other than the GPS Group in the course of conducting an investigation or an inquiry under FOIPPA. Accordingly, TELUS shall provide reasonable cooperation to each GPS Entity with respect to investigations or inquiries of the Commissioner under FOIPPA in connection with any information related to this Agreement or the Strategic Relationship Agreement which the Commissioner under FOIPPA is entitled to obtain under FOIPPA.

25. SECURITY

25.1 Security

25.1.1 TELUS acknowledges that the Services will carry GPS Confidential Information and Personal Information transmissions and as such, the security, availability, integrity and confidentiality of the information is paramount to the GPS Group. TELUS agrees to meet the GPS Group's security practices and procedure requirements as set out in section 19, in the GPS Group Security Policies referenced in Schedule R, (collectively, the "**Security Obligations**"). The GPS Group Security Policies may be amended from time to time. TELUS will implement obligations resulting from any such amendments subject to the Change Process.

26. INDEMNIFICATION AND LIABILITY

26.1 Indemnification by TELUS

26.1.1 TELUS will indemnify and save harmless the GPS Entities and the Administrator and their respective employees, independent contractors, advisors, agents and representatives (each a "**GPS Indemnified Party**" and collectively, the "**GPS Indemnified Parties**"), to the fullest extent permitted by law, from and against any Claims that may be suffered or incurred by any one or more of the GPS Indemnified Parties arising as a result of, or in connection with, any of the matters set forth in Schedule U, except to the extent suffered or incurred as a result of or in connection with the wilful misconduct, fraud, malfeasance or gross negligence of the GPS Indemnified Parties.

26.2 Third Party Claim Process

26.2.1 Subject to any restrictions or other limitations contained in the *Crown Proceeding Act* (British Columbia), or other Applicable Laws:

- (a) if a GPS Indemnified Party intends to seek indemnification under this Agreement from TELUS in respect of any third party Claims, then the GPS Indemnified Party will promptly give TELUS written notice of such Claims for indemnification, such notice to be given as soon as practicable following the commencement of any action by a third party; provided, however, that the failure of a GPS Indemnified Party to give TELUS such prompt notice will not relieve TELUS of its obligations under this Agreement, except to the extent that such failure results in a material prejudice to TELUS' defence to such Claims;
- (b) the GPS Group will cooperate, and make all reasonable efforts to cause other GPS Indemnified Parties to cooperate, with TELUS and, where appropriate and in the discretion of the GPS Group, will allow TELUS to control the defence of the Claim and any related settlement, at TELUS' sole cost and expense, it being acknowledged and agreed that where the GPS Group determines that it is not so appropriate, then the GPS Group will control the defence of the Claim and any related settlement. If the GPS Group allows TELUS to control the defence of the Claim and the defendants in any such action include any of the GPS Indemnified Parties and TELUS, and the GPS Group reasonably concludes that there may be legal defences available to it which are different from or additional to those available to TELUS, then the GPS Group will have the right to select separate counsel, the cost of which will be at the GPS Group's expense (without reimbursement by TELUS under an indemnity or otherwise) to assert such legal defences or to otherwise participate in the defence of such action on behalf of the GPS Indemnified Parties;
- (c) if a GPS Indemnified Party is entitled to indemnification under this Agreement as a result of a Claim by a third party, and if TELUS fails or chooses not to assume the defence of such Claim, or fails to proceed, then the GPS Indemnified Party may, at the expense of TELUS, contest (or, with or without the prior consent of TELUS, settle) such Claim. The GPS Indemnified Party will not otherwise settle any Claim with respect to which it has sought or intends to seek indemnification pursuant to this Agreement without the prior written consent of TELUS, which consent will not be unreasonably withheld or delayed. For clarity, TELUS shall be entitled to withhold its consent for any reason to a settlement proposed by a GPS Entity which would involve:
 - (i) an admission of guilt or wrongdoing on the part of TELUS, its Affiliates or Personnel or a Subcontractor; or
 - (ii) a commitment that TELUS, its Affiliates or Personnel or any of its Subcontractors will, or that the GPS Entity or the GPS Indemnified Party will cause TELUS or its Affiliates or Personnel or any of its Subcontractors to, undertake any act or refrain from doing any act, including without limitation issuing a public statement or press releases, implementing changes to the Services or TELUS' network facilities or its

internal processes or granting the third party any license or access rights, where TELUS is not agreeable to making such commitment; and

- (d) if TELUS settles any Claims that it may be liable to provide indemnification pursuant to this section 26 without the prior written consent of the applicable GPS Indemnified Parties, which consent will not be unreasonably withheld or delayed (acknowledging that pursuant to the *Crown Proceeding Act* (British Columbia) certain GPS Entities are not required to obtain or provide such consent, and will not be required to do so pursuant to this provision); then if TELUS has reached a *bona fide* full and final settlement in respect of all Claims involving the GPS Indemnified Parties and such plaintiff(s) in any such action with the plaintiff(s), and the applicable GPS Indemnified Parties do not consent to such settlement, the dollar amount specified in the settlement will act as an absolute maximum limit on the indemnification obligation of TELUS relating to such Claim.
- (e) The Administrator shall use reasonable commercial efforts to coordinate the GPS Indemnified Parties where they are comprised of multiple GPS Entities in order to ensure the process is as efficient as possible.

26.3 Mitigation

- 26.3.1 Each party has a duty to mitigate the Claims that would otherwise be recoverable from any other party pursuant to this Agreement by taking appropriate and commercially reasonable actions to reduce or limit the amount of such Claims.

26.4 Limitation on Liability

- 26.4.1 The liability of the parties under this Agreement will be subject to the express terms and conditions set forth in Schedule V.

26.5 GPS Entity Responsible for own Obligations

- 26.5.1 An obligation assumed by the GPS Entities under this Agreement (including any Service Orders issued in respect of this Agreement) is several and not joint, and each GPS Entity is liable only for its own performance, payment obligation or for the loss or damage arising from its own breach of an obligation to the extent that such loss or damage can otherwise be claimed hereunder.
- 26.5.2 Where one or more GPS Entities are liable in respect of the same loss or damage, each of those GPS Entities shall be liable only for that proportion of the total sum of the loss or damage that is in proportion to their total payable under all Service Orders and Service Change Orders of the total Service Orders and Service Change Orders made by all parties under this Agreement at the date the loss or damage arose, subject to any other agreement between them.
- 26.5.3 Any representation or warranty made by a GPS Entity is made only by the GPS Entity giving it.

27. INSURANCE

27.1 Insurance

27.1.1 Without limiting its obligations or liabilities under this Agreement or the Strategic Relationship Agreement, TELUS shall procure and maintain at all times during the Full Term of this Agreement, at its own expense and without reimbursement from the GPS Group the following insurance policies in connection with this Agreement and the Strategic Relationship Agreement, which shall be underwritten by insurers licensed to carry on insurance business in Canada:

- (a) Commercial General Liability. Commercial general liability insurance protecting against damage from bodily injury (including death) and from claims for property damage which may arise out of the operations of TELUS and its employees under this Agreement. Such insurance shall be for an amount of not less than ten million (\$10,000,000) dollars inclusive for any one occurrence, and may be provided by way of an umbrella or excess policy. Such policy or policies shall be on an occurrence basis and shall provide coverage for bodily injury and property damage, non owned automobile liability, personal injury liability, employer's liability, blanket contractual liability coverage, broad form property damage coverage and coverage for products and completed operations. The policy shall contain a cross liability clause, naming each GPS Entity as an additional insured.
- (b) Errors & Omissions Liability. Errors and omissions liability insurance covering liability for Claims arising out of an error or omission by TELUS in the provision of the Services for an amount of not less than five million (\$5,000,000).

27.1.2 All required insurance must be primary and not requiring the sharing of any loss by any insurer of any GPS Entity.

27.1.3 TELUS shall not cancel any of the required insurance policies set out or contemplated in this section 27.1 without thirty (30) days prior written notice to the GPS Group and Approval of the GPS Group, acting reasonably, where a cancelled insurance policy is not replaced with a replacement insurance policy of the same kind and type, and in an equal or greater amount. Each insurance policy for the above described insurance coverage shall be endorsed to provide the GPS Group with thirty (30) days prior written notice of cancellation. TELUS shall provide the GPS Group with evidence of all insurance required to be obtained by TELUS in a form mutually agreed by the Province and TELUS before commencing any Services under this Agreement and within thirty (30) days of the renewal of the insurance policy or policies.

27.1.4 Subject to section 19.2.3, during the Full Term and upon reasonable prior written request of a GPS Entity, TELUS shall permit such GPS Entity and its auditors and their respective other authorized representatives, at such reasonable times to be agreed between such GPS Entity and TELUS to review TELUS' insurance policies.

27.1.5 TELUS acknowledges that any requirement by or advice from the GPS Group as to the amount of coverage under any policy of insurance shall not constitute a representation by the GPS Group that the amount required is adequate, and TELUS acknowledges and agrees that it is solely responsible for obtaining and maintaining its own policies of

insurance in such amounts as TELUS shall determine to be appropriate and adequate, subject to the minimum requirements set out in this section 27.1.

28. DISPUTE RESOLUTION

28.1 Informal Dispute Resolution

28.1.1 In the event of any Dispute but subject in all cases to section 28.7, the parties will use reasonable efforts to settle such Dispute internally and will consult and negotiate with each other in good faith in an effort to reach a fair and equitable solution satisfactory to the parties. Prior to the initiation of formal dispute resolution procedures, the parties will first attempt to informally resolve any dispute, controversy or Claim (including any failure by the parties to reach agreement where expressly provided for in this Agreement) arising under or in connection with this Agreement as follows:

- (a) the applicable TELUS Client Service Manager and the corresponding GPS Entity Lead Representative will attempt to resolve the Dispute informally by meeting as often, for a duration and as promptly as those representatives deem necessary, to discuss the Dispute and negotiate in good faith in an attempt to resolve the Dispute, and where more than one GPS Entity is involved in the Dispute, then the corresponding Persons from TELUS and each of the GPS Entities shall jointly meet;
- (b) if such Persons are unable to resolve the Dispute within a reasonable period, a meeting of the Operational Management Committee shall be promptly scheduled and held in an attempt to resolve the Dispute;
- (c) if the Operational Management Committee is unable to resolve the Dispute within five (5) Business Days thereafter, a meeting of the Strategic Management Committee shall be called at a mutually agreeable time and place, and thereafter as often as the members of such committee reasonably deem necessary, to attempt to resolve the Dispute;
- (d) if the Strategic Management Committee is unable to resolve the Dispute within ten (10) Business Days thereafter, a meeting of the Joint Executive Governance Committee shall be called at a mutually agreeable time and place, and thereafter as often as the members of such committee reasonably deem necessary, to attempt to resolve the Dispute;
- (e) during the course of all discussions referred to in paragraphs (a) to (d) above, all reasonable requests made by one party to another for non-privileged information, reasonably related to the Dispute, will be provided by the other party so that the parties may be fully apprised of the other's interests in the Dispute and resulting positions and interests. The specific format for such discussions will be decided by mutual agreement of the parties, but may include the preparation of agreed-upon statements of fact or written statements of position or interest; and
- (f) if the Joint Executive Governance Committee does not resolve the Dispute within (10) Business Days of the referral of the Dispute to the Joint Executive Governance Committee (or such longer period to which the parties may agree), then the GPS Group or TELUS may, by written notice to the other party or

parties, as the case may be, refer the Dispute to binding arbitration in accordance with section 28.2.

28.2 Arbitration

28.2.1 Subject to the provisions of Schedule U, Schedule V, and sections 28.3, 28.4 and 28.7, any Dispute that is not settled in accordance with section 28.1, will be settled at the request of either the GPS Group or TELUS by binding arbitration in Victoria, British Columbia in accordance with the *Commercial Arbitration Act* (British Columbia) on the following terms (unless otherwise agreed in writing by the parties):

- (a) all hearings will be in held and kept confidence, subject to applicable statutory or common law requirements;
- (b) the arbitration will be heard before one arbitrator, the Designated Arbitrator selected in accordance with section 28.6, or in the alternative three arbitrators also selected in accordance with section 28.6;
- (c) unless the parties agree otherwise in writing, all Designated Arbitrators will either be:
 - (i) a lawyer in good standing with the Law Society of British Columbia or equivalent body in all jurisdictions in Canada where that lawyer is called to the bar;
 - (ii) a retired lawyer who was previously in good standing with the Law Society of British Columbia or equivalent body in all jurisdictions in Canada where that lawyer was previously called to the bar before that lawyer's retirement; or
 - (iii) a retired judge;
- (d) no individual may be appointed as a Designated Arbitrator if that individual is (but for the appointment as arbitrator in connection with a Dispute under this Agreement) or was directly involved in matters relating to this Agreement, the Dispute or the Services to be performed by TELUS under this Agreement;
- (e) all Designated Arbitrators selected or otherwise appointed to hear a Dispute will have experience in complex, commercial outsourcing engagements and be skilled or knowledgeable in the subject matter of the Dispute; and
- (f) in the event that no Designated Arbitrator is available to hear the arbitration and the arbitration is heard before a panel of three arbitrators, then the decision of the arbitration panel will be made by a majority vote.

28.3 Special Arbitration

28.3.1 Any Disputes between the parties pursuant to section 16.3 will follow the step-by-step resolution procedures set forth in section 28.1 and to the extent applicable, section 28.2, provided that the following provisions will apply in respect of any arbitration:

- (a) the Designated Arbitrator (or arbitrators, if applicable) will be instructed to make an award by selecting the submission of one party over the other, which selected submission will constitute the award of the Designated Arbitrator (or arbitrators, if applicable), provided that any award of costs contained in such submission may be removed by the Designated Arbitrator (or arbitrators, if applicable) and replaced with an award of costs determined by the Designated Arbitrator (or arbitrators, if applicable);
- (b) if any submission includes matters that are outside the scope of the Dispute contemplated in section 16.3, then the Designated Arbitrator (or arbitrators, if applicable) will discard the submission in its entirety as not being in compliance with the scope of the Dispute, and select the other submission for purposes of paragraph (a) above, and if both submission are discounted in their entirety as a result of the application of the provisions of this paragraph, then the Designated Arbitrator (or arbitrators, if applicable) will instruct the parties, in writing, to resubmit new submissions without such provisions which are outside the scope of the Dispute; and
- (c) for greater clarification, the Designated Arbitrator (or arbitrators, if applicable) will not have any jurisdiction, power or authority to grant an award other than as provided for in this section 28.3.

28.4 Expedited Dispute

28.4.1 Any Dispute between the parties that is designated in this Agreement as an Expedited Dispute will, to the extent applicable, follow the step-by-step resolution procedures set forth in sections 28.1 and 28.2, provided that the following provisions will apply in respect of any such Dispute:

- (a) with respect to section 28.1, the Expedited Dispute will be immediately escalated to the Joint Executive Governance Committee and where not resolved within 48 hours of such escalation then the GPS Group or TELUS may, by written notice to the other party or parties, refer the Dispute to binding arbitration in accordance with section 28.2;
- (b) with respect to section 28.2:
 - (i) the arbitrator shall be the first Designated Arbitrator who is immediately available (starting from the top of the list set forth in Schedule Y), and where no such Designated Arbitrator is immediately available, the first available Designated Arbitrator;
 - (ii) all submissions must be made within 96 hours of the Designated Arbitrator being appointed; and

- (iii) the Designated Arbitrator shall be required to render a decision with 48 hours of submissions.

28.5 Confidentiality

28.5.1 The proceedings of all negotiations, mediations and arbitrations as part of the Dispute Resolution Process will at all times be privately conducted. The parties agree that all statements and other communications made during the Dispute Resolution Process including, without limitation, offers of settlement, settlement terms and all documents or other materials created for the purposes of the Dispute Resolution Process:

- (a) are made on a without prejudice basis;
- (b) do not constitute an admission or waiver of rights; and
- (c) will not be offered into evidence, disclosed or used for any other purpose other than the Dispute Resolution Process, which for clarity includes all proceedings that are part of the Dispute Resolution Process.

28.5.2 During the Dispute Resolution Process, no party is required to disclose to another party any information, documents or materials with respect to which they claim privilege; however, if as part of the Dispute Resolution Process a party should disclose to another party information, documents or materials with respect to which they claim privilege or any information, documents or materials which they regard and identify as confidential or proprietary, then the other party will maintain the confidentiality of the information, documents or materials so obtained and, to the extent permitted by law, any such disclosure will not constitute a waiver of any privilege or confidentiality. The parties agree that any information regarding the Dispute Resolution Process, including any decisions or awards made, will not be disclosed to any third parties or used for any purpose other than the Dispute Resolution Process, unless the parties otherwise agree; provided that nothing in this provision will prevent such disclosure as may be necessary to enforce any arbitration awards or as otherwise required by law.

28.6 Designated Arbitrators

28.6.1 For the purposes of this section 28, the parties agree to select an arbitrator to hear the arbitration of a Dispute from the list of arbitrators set forth in Schedule Y, beginning with the arbitrator at the top of the list and moving to the end of the list, as such selection is made pursuant to section 28.2, 28.3 or 28.4. For greater certainty, if the person at the top of the list is not available, then the parties will move to the next person on the list. The parties shall review Schedule Y from time to time, through the Strategic Management Committee and amend or update the list by written agreement of the parties. In the event that no persons are available from the list set forth in Schedule Y and the parties cannot agree upon a person to act as the Designated Arbitrator, then the GPS Group and TELUS will each select an arbitrator, and those two arbitrators will jointly select a third arbitrator.

28.7 Exceptions to Dispute Resolution Procedure

28.7.1 The provisions of this section 28 will not be construed to prevent a party from:

- (a) seeking a temporary restraining order or injunctive or other equitable relief with respect to a breach (or attempted breach) of this Agreement by another party, to the extent such remedies are available to a party pursuant to Applicable Law (including, without limitation, the *Crown Proceeding Act* (British Columbia));
- (b) where there is an Event of Default by a party, a party may pursue any remedy to which it is entitled pursuant to this Agreement or otherwise without having to exhaust or utilize the dispute resolution or arbitration procedures set forth in this Agreement;
- (c) instituting litigation or other formal proceedings to the extent necessary and available pursuant to Applicable Law:
 - (i) to enforce arbitration awards or orders for injunctive or other similar relief,
 - (ii) to avoid the expiration of any applicable limitations period; or
 - (iii) to preserve a position with respect to other creditors;
- (d) participating (other than as an applicant) or intervening to any extent in any administrative or regulatory proceeding (including related proceedings, appeals and judicial reviews) concerning or in any way relating to the Services or this Agreement;
- (e) initiating any administrative or regulatory process or proceeding (including before the CRTC and any related proceedings, appeals and judicial reviews) concerning or in any way relating to the Services or this Agreement, other than any process or proceeding initiated by TELUS affecting only the GPS Entities and relating to a matter under Dispute without the consent of the GPS Group; or
- (f) agreeing with the other party or parties to the Dispute to seek non-binding CRTC staff assistance in resolving any components of the Dispute, including CRTC staff-assisted mediation or a CRTC staff opinion.

28.8 Continuity of Services

28.8.1 The parties acknowledge that the timely and complete performance of their obligations pursuant to this Agreement is critical to the business and operations of the parties. Accordingly, in the event of a Dispute, and at all times before, during and after the Dispute Resolution Process:

- (a) TELUS will continue to so perform its obligations and to deliver the Services under this Agreement in good faith during the resolution of such Dispute; and
- (b) the GPS Entities will continue to pay all Fees payable to TELUS in accordance with the terms of this Agreement, other than those Fees which are in Dispute and withheld from payment in accordance with the provisions of section 17.6.

29. FORCE MAJEURE AND LABOUR DISRUPTION

29.1 Notice of Force Majeure Event

29.1.1 If a party is prevented from, or delayed in performing any of its obligations under this Agreement as a result of a Force Majeure Event, or reasonably anticipates any of the foregoing, then such party will promptly notify the other parties by telephone (which does not include, for greater clarification, leaving a voice mail message). That party will also provide the other parties with a follow up written notice within two (2) Business Days of such party becoming aware of the potential non-performance or delay, of the particulars of the Force Majeure Event including details of the nature of the event, its expected duration and the obligations under the Agreement that will be affected by the Force Majeure Event (or anticipated Force Majeure Event). The party claiming the Force Majeure Event (or anticipated Force Majeure Event) will continue to furnish reasonable reports with respect thereto to the other parties on a timely basis during the continuance of the Force Majeure Event. The notice requirements of this section are in addition to any notices that may be required pursuant to section 11.

29.2 Mitigation of Force Majeure Event

29.2.1 Where a party becomes aware of the occurrence of an event, condition or circumstance that could reasonably be expected to cause such party to claim a Force Majeure Event, then that party will use commercially reasonable efforts to prevent or avoid such event, condition or circumstance developing into a Force Majeure Event, to the extent possible. Failing prevention of the occurrence of such Force Majeure Event by the use of such efforts, the party claiming the Force Majeure Event will, during the continuance of such Force Majeure Event, use commercially reasonable efforts to mitigate and minimize the effect of such Force Majeure Event, to reduce and minimize any ensuing delay or interruption in the performance of its obligations under this Agreement, and to recommence performance of its obligations under this Agreement whenever and to whatever extent possible and without delay. For greater clarification, where a Force Majeure Event affects performance of the obligations of more than one party under this Agreement, then all such parties may claim the same Force Majeure Event for purposes of this section 29. Notwithstanding the foregoing, upon the occurrence of a Force Majeure Event that is a TELUS Disaster, TELUS will forthwith implement the Disaster Recovery Plans (where applicable) without impacting Services not affected by the Force Majeure Event, including Services provided to other GPS Entities.

29.3 Application of Disaster Recovery Plans and/or Business Continuity Plans

29.3.1 Upon the occurrence or expected occurrence of a Force Majeure Event that is a TELUS Disaster, if:

- (a) TELUS promptly implements the Disaster Recovery Plans or Business Continuity Plan (as applicable) as contemplated in accordance with the terms thereof; and
- (b) provided that the Disaster Recovery Plans or Business Continuity Plan (as applicable) comply with the requirements of section 11;

then to the extent that the Disaster Recovery Plans or Business Continuity Plans (as applicable) do not contemplate the particular Force Majeure Event in question or

otherwise provide remedies that adequately address the same, the provisions of section 29.4 will apply. For clarity, TELUS shall otherwise not have the right to claim the provisions set forth in section 29.4 upon the occurrence of a Force Majeure Event that is a TELUS Disaster.

29.4 Consequences of Force Majeure Event

29.4.1 Subject to the provisions of section 29.3, during the occurrence of a Force Majeure Event, the obligations of the party claiming the Force Majeure Event will be suspended, but only to the extent that such party's obligations cannot be performed or are delayed as a result of the Force Majeure Event, and such party will not be considered to be in breach or default under this Agreement for the period of such occurrence. The suspension of performance will be no greater in scope and of no longer duration than is reasonably required to adjust for effects of the Force Majeure Event, to the extent reasonably possible to do so. For greater clarification, no obligation of a party that existed prior to the Force Majeure Event causing the suspension of performance will be excused as a result of the Force Majeure Event, unless such obligation is a continuing obligation, the performance of which is affected by the Force Majeure Event. During any Force Majeure Event other than a Special Force Majeure Event, the GPS Group may, in its discretion, exercise any one or more of the following remedies:

- (a) during the period of time such Force Majeure Event remains in effect, not pay that portion of the Fees in respect of any Services so affected by the Force Majeure Event; and
- (b) procure or otherwise obtain alternative services from any Entity in replacement for or substitution of the affected Services during the period of time that the Force Majeure Event remains in effect and a reasonable transition period thereafter, which includes each GPS Entity having the right to set off any amounts payable to such other Entity against fees payable hereunder.

29.4.2 TELUS will assist, and cooperate with, the GPS Group with respect to any Special Force Majeure Event.

29.5 Establishing a Force Majeure Event

29.5.1 The party claiming that a Force Majeure Event has occurred will bear the burden of proving the existence of such a Force Majeure Event and the consequences of such event.

29.6 Labour Disruption

29.6.1 In the event of an occurrence or potential occurrence of a Labour Disruption preventing or delaying the performance of the obligations of TELUS under this Agreement, TELUS will:

- (a) promptly notify the Administrator by telephone of the particulars of the Labour Disruption including details of the nature of the Labour Disruption, its expected duration and the obligations of TELUS under this Agreement that will be affected by such Labour Disruption; and

- (b) continue to furnish reasonable reports with respect to the status of the Labour Disruption to the GPS Entities on a timely basis during the continuance of the Labour Disruption.

29.6.2 In respect of the foregoing notice to the GPS Entities, TELUS may leave a voicemail message with the GPS Entities if necessary, but such voicemail message will not be deemed to be notice until actual voice contact is made, and TELUS will follow-up with written notice within three (3) Business Days of any verbal contact. Prior to claiming a Labour Disruption, TELUS will use its commercially reasonable efforts to prevent or avoid the Labour Disruption. TELUS is not precluded from making strategic decisions in respect of a Labour Disruption including TELUS not being obligated to settle a Labour Disruption. Failing prevention of the occurrence of such Labour Disruption by the use of such efforts, TELUS shall continue to be fully obligated under the terms of this Agreement subject to the specific relief in respect of a Labour Disruption set forth below.

29.6.3 During a Labour Disruption TELUS shall treat the GPS Group as a whole as a differentiated customer with top priority service (subject to Applicable Laws).

29.6.4 Upon the occurrence of a Labour Disruption, the Strategic Management Committee shall promptly form a Working Group which shall prioritize the Services and upon delivery of such prioritization list to TELUS during a Labour Disruption the GPS Group acknowledges that without limiting TELUS' continuing obligation to provide Services TELUS may prioritize Services based upon then available resources but in all cases subject to the treatment of the GPS Group as a whole as a differentiated customer pursuant to the provision set forth above in the manner set forth in the prioritization list so delivered to TELUS.

29.7 Effect of Labour Disruption

29.7.1 Upon the occurrence of a Labour Disruption, the parties agree that subject to TELUS' compliance with the terms of section 29.6 TELUS shall be temporarily relieved of the following obligations under this Agreement for the duration of the Labour Disruption:

- (a) the Key Role obligations set forth in section 14.3;
- (b) general reporting obligations under section 18.1 subject to TELUS continuing to provide important reports specifically requested by a GPS Entity; and
- (c) relief from the payment of Service Level Credits in respect of Services impacted by the Labour Disruption subject to all other Service Level obligations continuing in full force and effect.

29.7.2 In the event of a Labour Disruption involving employees or contractors of a GPS Entity that impacts the performance of TELUS' obligations under this Agreement, the parties agree that such matter shall be escalated through the Governance Process until a satisfactory workaround is jointly determined by the affected parties.

29.7.3 When the Labour Disruption ends, such temporary relief of the above obligations shall end. Without limiting the generality of the foregoing, TELUS agrees that upon the Labour Disruption ending it shall promptly restore the Key Roles in accordance with the terms of section 14.3. TELUS further agrees that as soon as reasonably possible after

the end of the Labour Disruption it shall provide the GPS Group with copies of reports that it did not provide to the GPS Group during the Labour Disruption.

29.8 Other Remedies

29.8.1 During a Labour Disruption, the GPS Group may, in its discretion, exercise any one or more of the following remedies in respect of any Services TELUS is unable to provide as a result of the Labour Disruption:

- (a) not pay the Fees in respect of such Services so affected (other than direct additional costs incurred by TELUS related to a partial delivery of such Services) during the period of time that the Labour Disruption remains in effect and such Services are disrupted or delayed; and
- (b) procure or otherwise obtain alternative services from any Entity in replacement for or substitution of the affected Services during the period of time that the Labour Disruption remains in effect and such Services are disrupted or delayed, and to off-set or deduct any commercially reasonable costs thereof that are in excess of the Fees withheld pursuant to paragraph (a) above against any other Fees payable to TELUS under this Agreement.

30. ASSIGNMENT AND CHANGES TO PARTIES

30.1 Assignment by the GPS Group

30.1.1 Each GPS Entity may assign at any time, in its sole discretion, and without the consent of TELUS but upon prior notice to TELUS (such notice including reasonable details of the assignment), this Agreement in whole or in part or sublicense any right or benefit set forth herein to any Governmental Authority, any Public Sector entity or any Private Sector Service Provider. For greater certainty, the GPS Entity shall remain jointly and severally liable to TELUS in the event of any assignment to a Private Sector Service Provider and such assignment shall not relieve the GPS Entity of any of its obligations under this Agreement nor limit any rights or remedies that TELUS may have against the GPS Entity. Each GPS Entity may assign this Agreement to any other Entity with the prior written consent of TELUS, such consent not to be unreasonably withheld unless the assignee is a direct telecommunications competitor of TELUS in Canada in which event TELUS shall have the right to withhold its consent in its sole discretion. Concurrently with assigning its interest in this Agreement to any Governmental Authority or Public Sector entity, a GPS Entity must concurrently assign its interest in the Strategic Relationship Agreement.

30.2 Assignment by TELUS

30.2.1 TELUS will not assign this Agreement, or any right of TELUS under this Agreement, without the prior written Approval of the GPS Group which Approval may be given or withheld in the sole and absolute discretion of the GPS Group, except where either such assignment is part of a corporate restructuring of TELUS or the assignment is to an Affiliate of TELUS, in which case such Approval shall not be unreasonably withheld. For greater certainty TELUS shall remain jointly and severally liable to the GPS Group in the event of any such assignment as part of a corporate restructuring of TELUS or assignment to an Affiliate and such assignment shall not relieve TELUS of any of its

obligations under this Agreement nor limit any rights or remedies that the GPS Group may have against TELUS. Any entity that is the assignee of a material portion of the assets of TELUS where any portion of the assigned assets are used in connection with the delivery of Services shall agree to be jointly and severally liable under the terms of this Agreement as a condition of such assignment of assets. Any name change of TELUS shall not be deemed to be an assignment by TELUS hereunder. Concurrently with assigning its interest in this Agreement TELUS must concurrently assign its interest in the Strategic Relationship Agreement.

30.3 Adding New BPS Entities

30.3.1 The parties acknowledge and agree that it may be desirable to have other BPS Entities (excluding, for greater certainty, School Districts), from time to time, become parties to this Agreement. Other BPS Entities may, upon agreement of the parties, become parties to this Agreement on such terms and conditions as agreed by the parties by executing and mutually delivering with TELUS and the GPS Group or the Administrator an Addendum to this Agreement, in a form to be agreed by the parties. Upon such agreement such BPS Entity (a “**New GPS Entity**”) shall be deemed to be a GPS Entity and have all of the rights and obligations of GPS Entity under this Agreement as if such New GPS Entity had been an original signatory hereto, subject to the terms and conditions of the Addendum to this Agreement executed by such New GPS Entity.

30.4 General BPS On-Boarding

30.4.1 As an alternative to becoming a New GPS Entity pursuant to section 30.3 a BPS Entity (excluding, for greater certainty, a School District) may enter into a BPS Services Agreement with TELUS subject to the following terms and conditions:

- (a) The entering into of a BPS Services Agreement by a BPS Entity is subject to the mutual agreement of the Administrator and TELUS.
- (b) Upon execution by TELUS and a BPS Entity of a BPS Services Agreement TELUS agrees that it shall report to the Administrator and adhere to directions from the Administrator in the manner set forth in the BPS Services Agreement. Notwithstanding the foregoing TELUS acknowledges and agrees that neither the Administrator nor any GPS Entity is nor shall at any time become a party to a BPS Services Agreement and no such Entity shall be liable nor responsible in any way for any BPS Entity or any actions thereof.
- (c) Any fees or amounts payable by a BPS Entity under a BPS Services Agreement shall not be deemed to be Fees payable under this Agreement for the purposes of calculating Eligible Spend under this Agreement.

30.5 School District On-Boarding

30.5.1 A School District may On-Board on the terms and conditions set out in Schedule QQ, and not otherwise under this Agreement.

31. DEFAULT AND TERMINATION

31.1 Events of Default by TELUS

31.1.1 Any of the following events will constitute a material breach and an event of default by TELUS (“**Event of Default**”):

- (a) any representation or warranty made by TELUS in any Transaction Agreement (other than the Connecting BC Agreement) is materially untrue or incorrect;
- (b) an Event of Insolvency in respect of TELUS has occurred;
- (c) any assignment of this Agreement by TELUS that is not Approved by the GPS Group pursuant to section 30.1 or that is not otherwise permitted pursuant to the terms of this Agreement or any assignment of any other Transaction Agreement by TELUS that is not permitted pursuant to the terms of such Transaction Agreement;
- (d) TELUS defaults in the performance of any of its material obligations under any Transaction Agreement (other than the Connecting BC Agreement), Service Order or Service Charge Order and fails to rectify such breach or default within sixty (60) days of its receipt of written notice from the GPS Group of such breach or default, such notice to state the nature of the breach or default and the appropriate remedy to cure such breach or default; provided that such sixty (60) day period may be extended by the GPS Group, in its sole discretion, for an additional period upon written notice of such extension to TELUS if such additional period is reasonably required to cure such default or breach;
- (e) the GPS Group reasonably determines that the actions or omissions of TELUS or any member of TELUS Group poses or, if carried out or continued, will pose a material risk of disclosure or unauthorized storage of, access to or use of Personal Information of a GPS Entity contrary to the terms of this Agreement;
- (f) TELUS ceases or threatens to cease to carry on business;
- (g) any matter described in this Agreement (including any Schedules attached hereto) as a “material breach” or a “material default” including, without limitation, termination rights under section 10.9 and Schedule J; or
- (h) TELUS or any member of TELUS Group engages in any conduct with respect to the Services which is fraudulent or criminal conduct.

31.2 Notice of Material Adverse Change or Event of Default

31.2.1 Without limiting TELUS’ obligation to notify the GPS Group of a Force Majeure Event in accordance with section 29.1, TELUS shall provide prompt notice to the GPS Group of any Material Adverse Change with respect to TELUS or of any fact, event or occurrence that is or that reasonably shall, with the giving of notice or lapse of time, result in an Event of Default by TELUS.

31.3 Remedies of the GPS Entities

31.3.1 Without requirement for recourse to legal process and without limiting any other rights or remedies the GPS Entities may have at law, in equity, as otherwise set forth in this Agreement or otherwise, upon the occurrence of a TELUS Event of Default as set forth in section 31.1 or notice of an Event of Default pursuant to section 31.2, each GPS Entity may:

- (a) require that TELUS reimburse the GPS Entity for any Losses incurred by the GPS Group in connection with such Event of Default, including but not limited to any Losses incurred by the GPS Entity in connection with any steps taken by the GPS Entity pursuant to paragraph (c) below, and TELUS hereby agrees to reimburse the GPS Entity for any such Losses and, if TELUS fails to reimburse the GPS Entity for such Losses, to set-off by written notice to TELUS the amount of such Losses against any Fees payable to TELUS by the GPS Group from time to time;
- (b) not pay any or all of the Fees to TELUS in respect of any Service that TELUS fails to provide (in whole or in part) during the period of time such Event of Default remains uncured;
- (c) take such steps as deemed by the GPS Entity, in its sole discretion, to cure such Event of Default, including but not limited to performing any Services or procuring or otherwise obtaining services from any alternative service provider or providers during the period of time such Event of Default remains uncured and for a reasonable period thereafter or alternatively directing TELUS to terminate or otherwise remove those Personnel or External Personnel responsible for the Event of Default from the provision of services relating to this Agreement, as designated by the GPS Entity, acting reasonably, and replacing such Personnel or External Personnel with persons determined by TELUS but Approved by the GPS Group, and in all cases such remedies shall be at the sole cost and expense of TELUS;
- (d) to the extent that the right is available to TELUS in any Subcontracts existing as of the Effective Date, require that TELUS immediately cease using any Subcontractor where such Event of Default is reasonably attributable in whole or in material part to such Subcontractor by delivery of a written notice to TELUS of such required cessation of use of such Subcontractor, with TELUS then being required to exercise commercially reasonable efforts to replace such Subcontractor as soon as possible, subject to the Approval rights with respect to new Subcontractors as set forth in section 15; or
- (e) each GPS Entity has the right to terminate its obligations or any portion thereof under this Agreement by delivery of a Termination Notice to TELUS,

and TELUS acknowledges and agrees that, upon such occurrence of an Event of Default, each GPS Entity may exercise any or all of, or any combination of, the above-listed rights and remedies in this section.

31.4 Termination Notice

31.4.1 Any Termination Notice from a GPS Entity to TELUS under sections 31.3, 31.5, 31.6 or Schedule J or otherwise under this Agreement shall specify the Termination Date, whether Termination Services shall be required by the GPS Entity, whether the termination applies to all or only a portion of the Services for the GPS Entity, the grounds of termination and, if applicable, reasonable particulars of the surrounding circumstances of the grounds of termination. Upon delivery of a Termination Notice that applies to all of the Services then being received by a GPS Entity, then this Agreement in respect of such GPS Entity shall be deemed to be terminated on the specified Termination Date, subject to the right and obligations (including the Termination Services to be provided hereunder and the obligation of the GPS Entity to pay for Services received by the GPS Entity) which shall survive such termination in accordance with the terms of this Agreement.

31.5 No Fault Termination

31.5.1 A no fault termination trigger (a "**No Fault Trigger**") shall occur in respect of a GPS Entity in the event that: (a) TELUS claims a Force Majeure Event in relation to a material portion of the aggregate Services that TELUS is providing to such GPS Entity at such time or to critical Services that TELUS is providing to such GPS Entity at such time, in each case as determined by such GPS Entity acting reasonably, and such Force Majeure Event continues for ninety (90) days or more within any six month period of the Term; or (b) the GPS Group claims a Special Force Majeure Event.

31.5.2 In the event of a No Fault Trigger described in section 31.5.1(a) the GPS Entity shall have the right to terminate its obligations under this Agreement or Cancel the Services affected by the Force Majeure Event by written notice to TELUS, conditional upon the Termination Notice being delivered within sixty (60) days after the 90th day of such Force Majeure Event (within any six month period) that resulted in such No Fault Trigger. Such termination shall be effective on the Termination Date specified therein which Termination Date shall not be less than thirty (30) days after the date of delivery of the Termination Notice to TELUS. The Termination Services and other provisions set forth in section 32 shall apply in the event of a termination pursuant to this section 31.5.2. Notwithstanding the foregoing, where TELUS does not agree that the GPS Entity has the right to exercise the right to terminate this Agreement as the result of a No Fault Trigger as contemplated herein, such dispute shall be an Expedited Dispute and where such Expedited Dispute is initiated prior to the expiry of such 30 day or greater period, then there shall be no termination of this Agreement unless such Expedited Dispute is resolved in favour of the GPS Entity. In such event, the termination shall be effective the later of the specified Termination Date and 30 days after the date of the resolution of such Expedited Dispute in favour of the GPS Entity. Subject to section 31.5.4, no Termination Fees or other similar fees shall be payable by a GPS Entity as result of a Termination under this section 31.5.2.

31.5.3 In the event of a No Fault Trigger described in section 31.5.1(b) the GPS Group shall have the right to terminate this Agreement, in whole or in part, or Cancel any Services by providing at least thirty (30) days' advance written notice to TELUS. Upon delivery of such notice TELUS shall provide the GPS Group with its reasonable estimate of the amounts that TELUS determines will be payable pursuant to section 31.5.4 below with such estimate being provided within the first twenty (20) days of such thirty (30) day

period. TELUS may also elect to require the GPS Group to terminate this Agreement in its entirety as a condition of the exercise of their rights under this section 31.5.3 by providing written notice to the Administrator within the first twenty (20) days of such thirty (30) day period, in which case, the aforementioned estimate shall reflect such full termination and the GPS Group will be deemed to have elected to terminate this Agreement in its entirety pursuant to its Termination Notice delivered under this section 31.5.3 unless prior to the expiry of such thirty (30) day period the GPS Group elects to withdraw such Termination Notice by providing an additional written notice to TELUS. Termination made pursuant to a Termination Notice delivered under this section 31.5.3 (and not withdrawn) shall be effective on the Termination Date specified therein which Termination Date shall not be less than thirty (30) days after the date of delivery of the Termination Notice to TELUS. The Termination Services and other provisions set forth in section 32 shall apply in the event of a termination pursuant to this section 31.5.3. Subject to section 31.5.4, no Termination Fees or other similar fees shall be payable by a GPS Entity as result of a Termination under this section 31.5.3.

31.5.4 In the event of a Termination by a GPS Entity (whether individually or with the rest of the GPS Group) under this section 31.5, such GPS Entity will:

- (a) reimburse TELUS for the unamortized portion of any unrecoverable or otherwise stranded, demonstrable, direct capital expense, pre-payment of third party expenses or third party capital cost incurred by TELUS or costs which will be incurred by TELUS as a third party termination fee with respect to any Cancelled Services as part of such Termination, provided, however, that: (i) with respect to a Termination by a GPS Entity under section 31.5.2 only, such GPS Entity Approved such capital expense as being a "Recoverable Cost" of TELUS in a Service Order; (ii) TELUS can demonstrate that it has incurred such capital expense where the Recoverable Cost is subsequently claimed by TELUS; (iii) with respect to a Termination by a GPS Entity under section 31.5.2 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 Service Order based upon TELUS accounting requirements relating to amortization and with respect to a Termination by a GPS Entity under section 31.5.3 capital costs recoverable under this section will be limited to the reasonable amortization period normally applied by TELUS to such capital costs based upon TELUS accounting requirements relating to amortization; (iv) such capital expense relates directly and exclusively to the provision of the Services 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); and
- (b) with respect to a Termination by a GPS Entity under section 31.5.3 resulting from a Special Force Majeure Event that arose from a third party Claim that was not initiated, and the GPS Group was not otherwise made aware of by written notice, within 24 months of the Effective Date, pay TELUS a one time termination charge for each Service Cancelled in the amount equal to the net profit TELUS would have earned on such Cancelled Services during the remainder of the Service

Term for such Service had such Service not been Cancelled, provided, however, that a GPS Entity will be entitled to set off any termination charges paid under this section 31.5.4(b) against the net profit on fees payable by such GPS Entity with respect to any services purchased by such GPS Entity from TELUS thereafter until expiry of the Service Term for the Cancelled Services to the extent that such services are within the scope of the Available Services as of the Effective Date or any replacements, substitutes or feature improvements for such Available Services as of the Effective Date. For purposes of this section 31.5.4(b), "net profit" means sales revenue less cost of goods or services sold, taxes, direct operating expenses and appropriate allocations of indirect operating expenses (including financial, research & development, sales & marketing and general & administrative expenses). Where the GPS Entities and TELUS do not agree upon the calculation of the net profit or margin on fees as described above, such dispute shall be an Expedited Dispute. Notwithstanding anything to the contrary herein, the parties hereby acknowledge and agree that "net profit" shall be considered TELUS Confidential Information.

31.5.5 The parties acknowledge that for purposes of section 31.5.4(a) where the amortization period would continue past the applicable Service Term no capital expenses would be payable under such section at the end of such Service Term unless the applicable Services are not extended as part of the Extension Services.

31.6 Termination by a GPS Entity for Convenience

31.6.1 Without limiting the right to Cancel some or all Services (including some or all of a Service Tower Commitment) in accordance with section 7 and otherwise notwithstanding any other provision of this Agreement, any GPS Entity may, for any reason or no reason and at any time:

- (a) Cancel an individual Service by providing TELUS with at least 30 days prior notice and by executing a Service Change Order (which does not need to be accepted by TELUS);
- (b) Cancel all of the Services being provided to such GPS Entity or all of the Services in a Service Tower being provided to such GPS Entity or a Service Tower Commitment by providing TELUS with at least 90 days prior notice and by executing a Service Change Order (which does not need to be accepted by TELUS); or
- (c) terminate all of its obligations and rights under this Agreement (and all Service Orders between it and TELUS then in force and effect) by providing TELUS with at least 90 days prior written notice,

without payment of any termination fees, penalties or other amounts of any kind, except for any Termination Fees and Recoverable Costs that are payable under section 31.6.2 or section 31.6.3 or Fees otherwise payable by the Province in accordance with section 31.6.4. The Termination Date shall be the termination date stated in a Termination Notice, provided, however, that such date is not a date within the applicable notice period specified above, which commences on the date of receipt of the notice by TELUS. Subject to section 31.6.3, any GPS Entity obligation to pay a Termination Fee and where applicable Recoverable Costs in connection with a GPS Entity's exercise of

its termination right under section 31.6 will be TELUS' sole and exclusive remedy, and will be such GPS Entity's sole obligation to compensate TELUS for the exercise of such right. Any obligation of the Province to pay a Fee under section 31.6.4 in connection with the Province's exercise of its termination right under section 31.6 with respect to Hosted IVR Services will be TELUS' sole and exclusive remedy, and will be the Province's sole obligation, to compensate TELUS for the exercise of such right.

31.6.2 If a GPS Entity Cancels any Services or Terminates all of its obligations and rights under this Agreement or a Service Order pursuant to section 31.6.1 and on the resulting Termination Date the Actual Aggregate Spend (taking into account any so Services Cancelled) is below the Revenue Commitment, the following termination charges ("**Termination Fees**") will be payable by such GPS Entity to TELUS (subject to the Revenue Commitment tracking and Termination Fee payment and reconciliation terms and conditions set out section 4 of Schedule MM):

- (a) with respect to any Data Services or Voice Services other than Hosted IVR Services, Cancelled not as a result of a VoIP/UC Failure:
 - (i) where the GPS Entity Cancels the Service and does not replace it with a service offered by another service provider or TELUS, the GPS Entity will pay to TELUS a one time termination charge of 25% of the Fees which would have otherwise been payable for the Cancelled Service had such Service not been Cancelled for the lesser of: (A) the next five years (commencing on the Termination Date) or (B) the remainder of the STC Term for such Service and TELUS will contribute 25% of such termination charge paid (i.e., 25% x 25%) to SIF; and
 - (ii) where the GPS Entity Cancels the Service and replaces it with a same or a functionally equivalent service provided by another service provider (other than TELUS), the GPS Entity will pay to TELUS a one-time termination charge of 50% of Fees which would have otherwise been payable for the Cancelled Service had such Service not been Cancelled for lesser of: (A) the next five years (commencing on the Termination Date) or (B) the remainder of the STC Term for such Service.
- (b) with respect to any Data Services or Voice Services, other than Hosted IVR Services, Cancelled as a result of VoIP/UC Failure:
 - (i) where the GPS Entity Cancels the Service and does not replace it with a service offered by another service provider or TELUS, the GPS Entity will pay to TELUS a one time termination charge of 10% of the Fees which would have otherwise been payable for the Cancelled Service had such Service not been Cancelled for lesser of: (A) the next five years (commencing on the Termination Date) or (B) the remainder of the STC Term for such Service; and
 - (ii) where the GPS Entity Cancels the Service and replaces it with a same or a functionally equivalent service provided by another service provider (other than TELUS), the GPS Entity will pay to TELUS a one-time termination charge of 25% of Fees which would have otherwise been payable for the Cancelled Service had such Service not been Cancelled

for lesser of: (A) the next five years (commencing on the Termination Date) or (B) the remainder of the STC Term for such Service.

31.6.3 If a GPS Entity Cancels any Services or terminates all of its obligations and rights under this Agreement or a Service Order pursuant to section 31.6.1, such GPS Entity will pay the following amounts to TELUS, if applicable:

- (a) with respect to any Data Services or Voice Services, other than Hosted IVR Services, Cancelled, if no Termination Fee is payable under section 31.6.2 in connection with such Cancellation, the GPS Entity will pay any applicable Disconnect Fee;
- (b) with respect to any Cellular Services Cancelled, if, after taking into account such Cancellation, the GPS Group (excluding BC Hydro and Power Authority until it executes an Initial Service Tower Commitment in accordance with section 7.1.2 and excluding British Columbia Lottery Corporation until it executes an Initial Service Tower Commitment in accordance with section 7.1.2) fails to meet the Subscriber Commitment, the GPS Entity will pay early cancellation fees with respect to applicable Cellular Services subscribers in accordance with section 10 of Attachment H9-A (Standard Cellular Services); and
- (c) with respect to any Services, other than Hosted IVR Services, Cancelled for which there is no applicable Termination Fees payable under section 31.6.2, the GPS Entity shall reimburse TELUS for the unamortized portion of any unrecoverable or otherwise stranded, demonstrable, direct capital expense, prepayment of third party expenses or third party capital cost incurred by TELUS or costs which will be incurred by TELUS as a third party termination fee with respect to any Cancelled Services as part of such Cancellation, provided, however, that: (i) such GPS Entity Approved such capital expense as being a "Recoverable Cost" of TELUS in a Service Order; (ii) TELUS can demonstrate that it has incurred such capital expense where the Recoverable Cost 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 Service Order based upon TELUS accounting requirements relating to amortization; (iv) such capital expense relates directly and exclusively to the provision of the Services 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). The parties acknowledge that where the amortization period would continue past the applicable Service Term no Recoverable Costs would be payable at the end of such Service Term unless the applicable Services are not extended as part of the Extension Services.

31.6.4 If the Province Cancels any Hosted IVR Services or terminates all of its obligations and rights under this Agreement or a Service Order pursuant to section 31.6.1 with respect to

Hosted IVR Services, the Province will pay to TELUS, with respect to any Hosted IVR Services Cancelled, a one time termination charge of:

- (a) if cancelled during the Initial STC Term for Hosted IVR Services, 50% of the Fees (excluding any portion of such Fees that represent professional service Fees that have been amortized over the Initial STC Term pursuant to section 3 of Exhibit C3-C of the Price Book) which would have otherwise been payable for the Cancelled Service had such Service not been Cancelled for the remainder of the Initial STC Term for the Hosted IVR Services, plus 100% of any professional service Fees that have been amortized over the Initial STC Term pursuant to section 3 of Exhibit C3-C of the Price Book; and
- (b) if cancelled during a Renewal STC Term, the corresponding IVR Renewal Termination Percentage of the Fees, (excluding any portion of such Fees that represent professional service Fees that have been amortized over the Renewal STC Term pursuant to section 3 of Exhibit C3-C of the Price Book) which would have otherwise been payable for the Cancelled Service had such Service not been Cancelled for the remainder of such Renewal STC Term for the Hosted IVR Services, plus 100% of any professional service Fees that have been amortized over the Renewal STC Term pursuant to section 3 of Exhibit C3-C of the Price Book.

31.6.5 Any Termination Fees payable hereunder are a pre-estimate of the damages suffered by TELUS and are not a penalty. TELUS shall deliver an invoice for such Termination Fees with such invoice being payable in accordance with the terms and conditions of this Agreement.

31.7 Events of Default by a GPS Entity

31.7.1 An event of default by a GPS Entity (a “**GPS Default**”) shall be deemed to have occurred if the GPS Entity fails to pay when due, subject to section 17.6, any material amount payable by the GPS Entity to TELUS pursuant to this Agreement that is not then subject to a Dispute pursuant to section 28.4 and the GPS Entity fails to rectify such breach or default upon receipt of written notice from TELUS of such breach or default, such notice to state in reasonable detail the nature of the breach or default and the amount of the required payment.

31.7.2 Where a GPS Default has occurred and the applicable GPS Entity has failed to cure such GPS Default on or before sixty (60) days after receipt of written notice of such failure or default given by TELUS to such GPS Entity, then TELUS shall have the right to suspend:

- (a) all Services deliverable to such GPS Entity; and
- (b) all audit rights of such GPS Entity pursuant to section 19.3,

until such GPS Entity has cured such GPS Default.

31.7.3 For greater certainty, nothing in this section 31.7 shall limit TELUS' right to take legal action to enforce payment of undisputed outstanding Fees.

31.8 No Expropriation

31.8.1 TELUS acknowledges and agrees that any termination of this Agreement in accordance with its terms, either at the expiry of the Term or as otherwise provided in this Agreement, or termination of a Service Order in accordance with its terms will not constitute an expropriation by any GPS Entity or be tantamount to an expropriation by any GPS Entity at domestic or international law (including, but not limited to the North American Free Trade Agreement and any other treaty or trade agreement), and will not constitute grounds for asserting any Claim based on an expropriation, alleged expropriation or an action tantamount to an expropriation whatsoever under any domestic law, international agreement, or domestic law implementing an international agreement (including, but not limited to, Chapter Eleven of the North American Free Trade Agreement and the General Agreement on Trade in Services).

32. TERMINATION SERVICES

32.1 Termination Services

32.1.1 In connection with the expiry or the earlier termination of this Agreement or a Service Order or termination by a GPS Entity of its obligations and rights under this Agreement or the Cancellation by a GPS Entity of a material portion of its Services (each, a **"Material Termination"**), and notwithstanding any such Material Termination, but subject to payment of all undisputed Fees by such GPS Entity, TELUS shall assist and cooperate fully with the applicable GPS Entity or GPS Group (herein, the **"Terminating Entity"**) and provide continuing Services and such additional services set forth in this section 32, to enable the Terminating Entity to obtain from an Alternative Service Provider or Alternative Service Providers, services to substitute for or replace those (or the applicable portion thereof) provided by TELUS hereunder (the **"Termination Services"**) to allow:

- (a) the Services to continue without interruption or adverse effect; and
- (b) the orderly, effective and efficient replacement of the Services (or the applicable portion thereof) by the Alternative Service Provider.

For clarity, TELUS has no obligation to ensure any Alternative Service Provider performs in any manner to effect the orderly, effective and efficient replacement of the Services (or the applicable portion thereof).

32.1.2 Commencing upon any Material Termination or upon written notice from the Terminating Entity, whichever shall first occur, and ending upon the earlier of completion of the transition after the Termination Date and six (6) months after the end of the Term, as such period may be extended pursuant to section 32.3 (the **"Termination Assistance Period"**), TELUS will provide to the Terminating Entity or the Alternative Service Provider, as applicable, the following in the time frames reasonably requested by the Terminating Entity, as applicable:

- (a) development and delivery of a mutually agreed to Termination Assistance Plan for the replacement of the Services by the Alternative Service Provider in the manner set forth in section 32.1.3 below;
- (b) TELUS' co-operation with and assistance to the Alternative Service Provider in order to facilitate the replacement of the Services (or the applicable portion thereof) by the Alternative Service Provider including any services in respect of the redeployment of Hardware and Systems;
- (c) in the manner directed by the Terminating Entity, providing answers to all questions from the Alternative Service Provider regarding the Services (including volumes, bandwidths, current configurations, technical specifications and any other reasonable information not otherwise in the Documentation but excluding TELUS Confidential Information (including TELUS proprietary pricing));
- (d) providing a copy of the Documentation as well as detailed lists and descriptions of all Services then being provided;
- (e) delivery to the Terminating Entity of all such entity's materials, however recorded, in TELUS' or any Subcontractor's possession, including without limitation any GPS Confidential Information of the Terminating Entity, New Material of the Terminating Entity and any other information in any format or media that has been provided by or on behalf of the Terminating Entity to TELUS or any Subcontractor as a result of this Agreement;
- (f) the Terminating Entity and TELUS shall maintain a copy of such materials described in paragraph (e) above until expiry of the Termination Assistance Period. At any time during the Termination Assistance Period, the Terminating Entity may direct TELUS in writing to destroy all remaining copies of such materials and upon receipt of such written direction TELUS shall immediately proceed to destroy or delete all copies that it has of such materials in the manner as directed by the Terminating Entity except any copies that TELUS is otherwise required to maintain pursuant to section 19 or pursuant to Applicable Laws; and
- (g) assist the Terminating Entity with appropriate testing of the Terminating Entity's transition and migration procedures.

32.1.3 As part of the Termination Services, within thirty (30) days of receipt of notice of Termination, or in the event that the Term or a Service Term will expire, not less than five (5) months prior to the expiry of such term, or otherwise as agreed by the parties, upon the Terminating Entity providing TELUS with notice in writing that it wishes to receive Termination Services, TELUS and the Terminating Entity will jointly, in consultation with such other Entities as such parties reasonably determine, commence in good faith and with all reasonable diligence to develop a termination assistance plan (the "**Termination Assistance Plan**") to facilitate the replacement of the Services (or the applicable portion thereof) by an Alternative Service Provider. Such plan shall set out in reasonable detail the specific tasks to be accomplished by such parties (consistent with the allocation of tasks contemplated in this section 32) and a schedule pursuant to which the tasks are to be completed and shall, at a minimum, provide for:

- (a) details of the transition of the Core Services, the GPS Confidential Information and the delivery of the other materials and information to which the Terminating Entity is entitled upon a termination of this Agreement, a Service Order or their obligations in respect of this Agreement;
- (b) any modifications to the Core Services to be provided during the Termination Assistance Period, and the date or dates on which the provision of the Core Services or portions thereof are to be replaced by the Alternative Service Provider;
- (c) processes, methods and timelines in respect of the delivery of the Termination Services;
- (d) a plan for the transfer of Projects that have not been completed; and
- (e) the anticipated conclusion date.

32.1.4 TELUS and the Terminating Entity agree to provide to each other reasonably sufficient information to create the Termination Assistance Plan. TELUS and the Terminating Entity shall revise and update the Termination Assistance Plan from time to time during the Termination Assistance Period as reasonably necessary.

32.1.5 Each of TELUS and the Terminating Entity shall carry out its obligations as described in the Termination Assistance Plan.

32.1.6 The parties acknowledge and agree that notwithstanding language in this Agreement, including language in this section 32, which makes reference to the Alternative Service Provider, the contractual obligations of TELUS under this Agreement are to the Terminating Entity and nothing in this section 32 shall create any contractual relationship between TELUS and any Entity other than the Terminating Entity. Nothing in this section 32.1.6 shall in any way limit the right of the Terminating Entity to make any Claim against TELUS, seek indemnification from TELUS or otherwise pursue TELUS in respect of any Loss suffered by the Terminating Entity as a result of any Claim made by any third party against the Terminating Entity.

32.2 Charges for Termination Services

32.2.1 During the Term, TELUS shall make reasonable commercial efforts to provide the Termination Services in the course of its ordinary delivery of Services. The applicable parties shall make all reasonable commercial efforts to minimize costs with respect to Termination Services and to conduct such Termination Services as efficiently as possible. Any Termination Services delivered during the Term that have a material impact on the delivery and performance of the other Services shall be deemed to be a change and shall be addressed in the manner set forth in section 9 at labour rates that do not exceed the applicable labour rates set forth in the Price Book. After the Term, all Termination Services shall be calculated at the fair market value time and material rates in accordance with a budget jointly prepared by TELUS and the applicable GPS Entities, upon which it shall form part of the Termination Assistance Plan. All costs, expenses and changes to the Fees calculated pursuant to section 9 referred to herein and all amounts payable after the expiry of the Term, shall collectively be defined herein as the

“Termination Assistance Charges”. Termination Charges shall be payable or borne by the applicable parties as follows:

- (a) in the event of the expiry of the Term or a termination for convenience including a termination of a material portion of the Services of a GPS Entity, Termination Assistance Charges shall be payable by the Terminating Entity;
- (b) in the event of the termination of this Agreement or all of the Terminating Entity’s obligations under this Agreement are terminated due to a No Fault Trigger, then the applicable parties shall bear their own expenses and costs in respect of the Termination and any Termination Services including the Terminating Entity not being responsible for paying any Termination Assistance Charges to TELUS; and
- (c) where the Termination is due to a TELUS Event of Default, then the Terminating Entity shall not be liable to pay any Termination Assistance Charges.

32.3 Temporary Extension of Termination Services

32.3.1 If the Terminating Entity is unable to complete the transition of Services (or the applicable portion thereof) by the end of the Termination Assistance Period, the Terminating Entity may elect to extend the Termination Assistance Period for up to eighteen (18) months beyond the then effective date of the expiration of the Termination Assistance Period by notifying TELUS in writing of such election at least sixty (60) days prior to such effective date.

32.4 Temporary Extension of Services

32.4.1 The Terminating Entity shall have the right to extend any Services provided by TELUS to such Terminating Entity past the expiry or termination of the Term or applicable Service Term upon delivery of a notice (the **“Service Extension Notice”**) to TELUS which identifies the Services that are to be extended in accordance with the terms of this section 32.4 (the **“Extended Services”**). Upon delivery of the Service Extension Notice to TELUS, TELUS shall provide the Extended Services to the Terminating Entity from and after the expiry or termination of the Term or applicable Service Term, as the case may be, in accordance with the terms of this Agreement subject to the following:

- (a) TELUS shall continue to provide the Extended Services to the Terminating Entity for such period as reasonably required by the Terminating Entity;
- (b) Subject to section 32.5, all provisions of this Agreement shall continue to apply to and in respect of the Extended Services (including section 7) except as otherwise provided below:
 - (i) if the Terminating Entity has Terminated all of its obligations under this Agreement, then, with respect to the Terminating Entity only, level 4 governance as described in Schedule K (Governance), other than in respect of a Dispute, will apply to the Extended Services until the earlier of: (A) 36 months after the expiry or termination of the Term or Service Term, as applicable; and (B) when the Terminating Entity’s monthly Eligible Spend with respect to the Extended Services falls below 50% of

the Terminating Entity's average monthly Eligible Spend on the same Services in the full 12 month period prior to Termination;

- (ii) if the Terminating Entity has Terminated all of its obligations under this Agreement, the TELUS Client Service Manager for the Terminating Entity will no longer be considered a Key Role;
- (iii) the Service Level provisions will continue to apply to the Extended Services until the earlier of: (A) 36 months after the expiry or termination of the Term or Service Term, as applicable; and (B) when the Terminating Entity's monthly Eligible Spend with respect to the Extended Services falls below 50% of the Terminating Entity's average monthly Eligible Spend on the same Services in the full 12 month period prior to Termination, at which time such provisions will be replaced with TELUS' service terms as set forth in its then standard documentation and such service terms will apply thereafter to the Extended Services;
- (iv) subject to section 32.4.1(b)(v), with respect to the Terminating Entity only, the Service Tower specific reporting requirements under section 18 (Reporting and Annual Operating Plan) and Schedule M (Reporting), other than the reporting set out in paragraphs A to H below, will not apply with respect to the Extended Services:
 - A. Service Level register,
 - B. Service Level-related reports,
 - C. root cause analysis reports,
 - D. Chronic Failure Remediation Plans,
 - E. SLC Exemptions,
 - F. scheduled maintenance plans;
 - G. reports with respect to Eligible Spend; and
 - H. reports with respect to the Revenue Commitment.
- (v) section 18 (Reporting and Annual Operating Plan) and Schedule M (Reporting), including all reporting set out in section 32.4.1(b)(iv)A to (iv)H, will cease to apply to the Extension Services upon the earlier of: (A) 36 months after the expiry or termination of the Term or Service Term, as applicable; and (B) when the Terminating Entity's monthly Eligible Spend with respect to the Extended Services falls below 50% of the Terminating Entity's average monthly Eligible Spend on the same Services in the full 12 month period prior to Termination; and
- (vi) section 19.4 (Process and Control Audit) will not apply with respect to the Extended Services.

For clarity, upon any provisions of this Agreement not applying in accordance with the terms of this section 32.4.1 as result of Eligible Spend of the Terminating Entity falling below a certain threshold specified above, such provisions shall not be later reinstated if the Eligible Spend of the Terminating Entity thereafter increases so that it exceeds such threshold.

32.4.2 Fees payable in respect of the Extended Services shall be calculated as follows:

- (a) from the commencement of the delivery of the Extended Services until thirty-six (36) months past the expiry or termination of the Term or Service Term, as applicable, the Fees payable in respect of an Extended Service shall be calculated in accordance with the Price Book; and
- (b) thirty-six (36) months past the expiry or termination of the Term or the applicable Service Term, as the case may be, the fees shall thereafter be calculated at fair market rates for similar services, similar quantities and contractual terms as agreed by the Terminating Entity and TELUS, acting reasonably.

32.4.3 The Terminating Entity can Cancel some or all of the Extended Services at any time upon thirty (30) days prior written notice to TELUS and there shall be no termination or expiry fees payable with respect to the Cancellation of any Extended Services and, upon the Cancellation of any Extended Services, the terms and provisions of this section 32 shall apply, *mutatis mutandis*. For clarity, any upgrades to Services or additional Services ordered during and in connection with a temporary extension of Services under this section 32 will be subject to TELUS termination rights and charges if TELUS notifies the applicable GPS Entity ordering such upgrade or additional Services in the Service Order or Service Change Order therefor or otherwise in writing prior to implementing the Service Order or Service Change Order of such rights and charges.

32.5 Affect of Partial Termination on Overall Services

32.5.1 Certain obligations of TELUS under this Agreement with respect to the Services being provided to all GPS Entities, including any Extension Services, will cease in connection with one or more Terminations, as follows:

- (a) unless otherwise agreed by the parties in writing, no new SIF will be earned after the earlier of Termination of this Agreement or Contract Year 10 provided, however, that, for greater certainty, SIF that has been earned may continue to be applied in accordance with the Strategic Relationship Agreement;
- (b) 36 months after the expiry or termination of the Term, the Progressive Data Discount will cease to apply; and
- (c) upon the Aggregate Actual Spend falling to 50% or less the then current Revenue Commitment or, if this Agreement has been Terminated, the earlier of the Aggregate Actual Spend falling to 50% or less the then current Revenue Commitment and 36 months after the expiry or termination of the Term, the following provisions will cease to apply:
 - (i) section 13.1 and Schedule K (Governance), other than in respect of a Dispute;

- (ii) section 14.3 (Key Roles); and
- (iii) section 18 (Reporting and Annual Operating Plan) and Schedule M (Reporting).

For clarity, upon any provisions of this Agreement not applying in accordance with the terms of this section 32.5 as result of Eligible Spend of the GPS Group falling below a certain threshold specified above, such provisions shall not be later reinstated if the Eligible Spend of the GPS Group increases so that it exceeds such threshold.

32.6 Additional Termination Arrangements

32.6.1 Without limiting the provisions of this section 32, including the Termination Services and Extended Services otherwise contemplated herein, in the event of a Material Termination but subject to any continuing obligations otherwise set forth in this section 32:

- (a) TELUS shall peacefully leave and cause its Personnel to peacefully leave all Sites and return to the Terminating Entity and cause its Personnel to return all keys and access cards to the applicable facilities;
- (b) the Terminating Entity shall provide TELUS with access to the Sites during Business Hours to remove any TELUS Equipment owned by TELUS that is located at the Site;
- (c) subject to Applicable Laws, TELUS shall deliver to the Terminating Entity all Documentation and all other files, records, drawings and documents relating to the Services provided to such Terminating Entity (including all the Subcontracts and all operating and employment records, books or account, documents and ancillary documents in each case relating to the Services redacted as necessary to protect TELUS Confidential Information and any third party rights) and relating to the GPS Confidential Information and the GPS Group Intellectual Property in whatever format, form, condition or media which are then in the possession or control of TELUS;
- (d) subject to Applicable Laws, the Terminating Entity shall deliver to TELUS all of TELUS Confidential Information in whatever format, form, condition or media which are then in the possession or control of Terminating Entity; and
- (e) where the delivery of all Services to the Terminating Entity has ceased in accordance with the terms of this Agreement, TELUS shall render final accounts to the Terminating Entity with respect to the applicable Services up to the end delivery date.

32.7 Liabilities

32.7.1 In no event shall any GPS Entities or Alternative Service Providers assume or be liable for any liabilities or obligations of TELUS not otherwise expressly assumed.

32.8 Procurement Assistance

32.8.1 Upon the GPS Group's request (whether prior to or during a Termination Assistance Period), TELUS agrees that it shall provide reasonable assistance to the GPS Group with respect to their preparation of a request for proposal, bid specification or similar document in respect of the Services hereunder, provided, however, that nothing contained in this section 32.8 shall require TELUS to provide any assistance which would result in the ability of TELUS to effectively compete for such request for proposal being impaired.

33. REGULATION OF SERVICES

33.1 Notice of CRTC Applications and Proceedings

33.1.1 TELUS agrees to promptly deliver copies of the following documents to the GPS Group:

- (a) when made, a copy of the version of any tariff applications, filings and written submissions made by TELUS, other than portions designated by TELUS as confidential under section 39 of the *Telecommunications Act* (Canada) to the CRTC, which if approved by the CRTC would result in the Services arrangement no longer constituting a Qualifying Bundle or would result in the Services arrangement failing to meet the CRTC revenue threshold test (or any substitute thereof) applicable to Qualifying Bundles, such that the Services arrangement would cease to be eligible for a Qualifying Bundle;
- (b) when received, a copy of all notices, interrogatories or other correspondence received by TELUS relating to a review or determination by the CRTC, or a challenge by a third party, of the eligibility of the Services arrangement as a Qualifying Bundle or any orders, decisions, regulatory policies or other documents issued by the CRTC announcing or initiating proceedings which would purport to change the eligibility of the Services arrangement as a Qualifying Bundle; and
- (c) within 14 days of when made, a copy of the version of any tariff filings, other than portions designated by TELUS as confidential under section 39 of the *Telecommunications Act* (Canada) to the CRTC, which if approved would have in TELUS' reasonable opinion a material impact on the terms, conditions or Fees payable by the GPS Entities to TELUS.

33.2 Qualifying Bundle Status

33.2.1 The charges for, availability of, and terms and conditions associated with, the provision of the non-tariffed service elements in this Agreement are conditional on the GPS Entities subscribing to tariffed telecommunications Services from TELUS, and further, this Agreement constitutes a Qualifying Bundle consistent with the requirements of Telecom Decisions CRTC 2007-74 or 2007-117.

33.2.2 The Services that are the subject matter of the Qualifying Bundle are set out in this Agreement.

33.2.3 If, at the end of the Term, the total Fees for all Services provided under this Agreement (tariffed and unregulated or forborne) during the Term do not equal or exceed the total Fees for all TELUS tariffed Services provided under this Agreement as calculated in accordance with CRTC approved TELUS' tariffs (the "**Regulated Charges**") as required by the CRTC for a Qualifying Bundle, the parties agree to the following process:

- (a) TELUS must notify the GPS Group in writing of the shortfall between the Regulated Charges and the actual total Fees for all Services provided within 60 days of the end of the Term;
- (b) TELUS must provide the GPS Group with supporting documentation clearly demonstrating how the shortfall was calculated (for example, including copies of any tariff amendments and when they were filed);
- (c) the GPS Group must respond within 30 days of receiving the information from TELUS regarding any disagreement with the way in which the shortfall was calculated; and
- (d) then upon the parties agreeing on the calculation of any shortfall, the GPS Group must pay the difference between the Regulated Charges and the actual total Fees within 30 days of receiving TELUS' invoice reflecting that amount, which will be paid as a one-time lump-sum payment.

33.2.4 If, during the Term, TELUS reasonably determines that it is likely that the total Fees for all Services will not equal or exceed the sum of the Regulated Charges as required by the CRTC for a Qualifying Bundle, then the parties agree to the following process:

- (a) within 30 days of such determination TELUS must notify the GPS Group in writing of the estimated shortfall between the Regulated Charges and the total Fees expected to be charged for all Services during the Term, including:
 - (i) its proposed solution to prevent the shortfall (for example, a recommendation to purchase any additional unregulated or forborne Services under the Agreement or replace any tariffed Service), which should have the least harmful impact on the GPS Group, in all cases subject to Applicable Laws;
 - (ii) supporting documentation clearly demonstrating how the shortfall was estimated (for example, including copies of any tariff amendments and when they were filed);
- (b) the GPS Group must respond to TELUS in writing within 30 days of receiving all the information from TELUS in section 33.2.4(a) as to whether it intends to negotiate a solution with TELUS, which must include any disagreement with the way in which the shortfall was estimated and any alternative solutions for addressing the shortfall;
- (c) if the GPS Group provides a response in accordance with section 33.2.4(b), the parties shall negotiate a solution that is compliant with Applicable Laws and which has the least harmful impact on the GPS Entities, with such solution being implemented upon agreement of the parties; and

- (d) where no solution compliant with Applicable Laws is acceptable to the GPS Group or the GPS Group fails to provide a response under section 33.2.4(b) TELUS shall have no further obligation under this sub-section.

33.2.5 For the purposes of determining whether or not the GPS Group passes the CRTC revenue threshold test for a Qualifying Bundle and which Regulated Charges apply, the GPS Group will be deemed at the time of entering the Service Order or Service Change Order for the Service, unless otherwise set out therein, to have selected the best pricing option for the Service available under TELUS' tariffs, including taking into account the longest minimum contract period closest in length to the actual Service Term for the Service contemplated in this Agreement and the greatest volume pricing plan discount or combination of such plans available.

33.3 Compliance with Regulatory Requirements

33.3.1 TELUS represents and warrants to each GPS Entity at the time of its execution of this Agreement, and acknowledges that each GPS Entity is relying thereon, as follows:

- (a) the Services being delivered to the GPS Group under this Agreement consist of both non-tariffed (whether non regulated or forborne) Services and Services subject to tariff approved by the CRTC under sections 24 or 25 of the *Telecommunications Act (Canada)* in one or more locations, which are eligible to be provided in accordance with the terms and conditions of this Agreement as a part of a Qualifying Bundle;
- (b) the provisions of this Agreement are compliant with the *Telecommunications Act (Canada)* and such Applicable Laws administered by the CRTC;
- (c) no tariff filings are required with respect to the bundling of Services referenced as contemplated in this Agreement or with respect to any Services not identified by TELUS in this Agreement as a tariffable service;
- (d) the Services that are subject to tariffs in one or more locations and their applicable tariffs are identified in the Schedules to this Agreement, other than TELUS' General Tariff CRTC 21461, Items 101-124, General Terms of Service, which apply to all TELUS tariffed services; and
- (e) TELUS is aware of no application or proceeding pending before the CRTC to make any non-tariffed Services in this Agreement, whether or not combined with any tariffed Services, subject to tariff regulation.

33.3.2 TELUS represents and warrants to each GPS Entity at the time of its execution of this Agreement and throughout the Full Term, and acknowledges that each GPS Entity is relying thereon, that the Fees charged under this Agreement comply with section 27 of the *Telecommunications Act (Canada)* where such section applies to those Fees.

33.3.3 Unless otherwise specified in the Price Book or the GPS Entity otherwise agrees, in the event of any forbearance order or decision by the CRTC to remove the requirement for TELUS to provide a Service in accordance with a tariff approved by the CRTC, the parties agree that notwithstanding any agreed minimum contract period set out for a tariffed Service subscribed to by a GPS Entity:

- (a) where no equivalent Service is then set out in the Price Book on a forbore basis, the Fees, terms and conditions of TELUS tariffs last applied to the Service shall continue to apply until or unless the Price Book sets out a lower Fee for the Service; and
- (b) where an equivalent Service is then set out in the Price Book on a forbore basis, TELUS tariffs shall immediately cease to apply to the provision of the Service on the effective date of forbearance and the provisions under this Agreement including Fees applicable to the equivalent service shall apply to the newly forbore Service.

33.4 CRTC Customer Confidentiality

33.4.1 Subject in all cases and in all respects to sections 22 (Confidentiality) and 24 (Privacy), in relation to all telecommunications services provided by TELUS, unless a GPS Entity provides express consent or disclosure is pursuant to a legal power, all information kept by TELUS regarding the GPS Entity, other than the GPS Entity's name, address and listed telephone number, is confidential and may not be disclosed by TELUS to anyone other than: the GPS Entity; a person who, in the reasonable judgement of TELUS is seeking the information as an agent of the GPS Entity; another telephone company, provided the information is required for the efficient and cost-effective provision of telephone services and disclosure is made on a confidential basis with the information to be used only for that purpose; a company involved in supplying the GPS Entity 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 TELUS in the collection of the GPS Entity's account, provided the information is required for and is to be used only for that purpose; a public authority or agent of a public authority, for emergency alerting purposes, if a public authority has determined that there is imminent or unfolding danger that threatens the life, health or security of an individual and that the danger could be avoided or minimized by disclosure of the information; or an affiliate involved in supplying the customer with telecommunications and/or broadcasting 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. Subject in all cases and in all respects to sections 22 (Confidentiality) and 24 (Privacy), express consent may be taken to be given by the GPS Entity where the GPS Entity provides written consent; electronic confirmation through the use of a toll-free number; or electronic confirmation via the Internet; oral consent, where an audio recording of the consent is retained by TELUS; or consent through other methods, as long as an objective documented record of customer consent is created by the GPS Entity or any independent third party.

33.5 Change in Regulation

33.5.1 In this section, a “**Regulatory Event**” means an event where:

- (a) any term or condition (including Fees) under this Agreement is, to any extent, invalid or unenforceable (except as a result of any failure of the overall bundle to pass the revenue threshold test as contemplated in Telecom Decision CRTC 2007-74) under Applicable Laws regulating any telecommunication services, telecommunications facilities, or any telecommunication service providers prevailing at that time;

- (b) any Fees or any material term or condition under this Agreement, to any extent, are found or made invalid or unenforceable or are deleted, varied, amended, substituted, supplemented with additional terms and conditions not expressly set out in this Agreement (including in any tariff incorporated by reference and existing at the time of execution of this Agreement, Service Order or Change Order, as applicable) by the CRTC or any other Governmental Authority having jurisdiction over telecommunications services or telecommunications service providers (including any underlying telecommunications facilities and their location) that have any adverse affect on any GPS Entity; or
- (c) without limiting the generality of section 33.5.1(b), the CRTC purports to:
 - (i) regulate any elements of the Services or any terms or conditions (including any Fees) under this Agreement for such Services that were until the event non regulated or forborne from such regulation; or
 - (ii) change the Qualifying Bundling rules such that tariffed Services that were eligible to be provided in accordance with the terms and conditions of this Agreement as a part of a Qualifying Bundle are no longer eligible, and such order adversely impacts the terms and conditions for a Service under this Agreement (including pricing).

33.5.2 Upon the occurrence of a Regulatory Event, TELUS:

- (a) shall upon becoming aware of a Regulatory Event promptly give notice of the details to the GPS Group;
- (b) may, at its cost and expense, promptly exercise any right of appeal or review it may have to contest any such Regulatory Event, or take any other steps it may reasonably have so that the GPS Entities may remain wholly unaffected; and
- (c) shall further have the obligation to take steps to rectify or remedy any non-compliance with Applicable Laws at its cost and expense.

33.5.3 If the rights or steps referred to in section 33.5.2(b) do not exist or will not be exercised or are not exercised, or despite being exercised will result in any GPS Entity being adversely affected at least temporarily, or despite being exercised fail to leave the GPS Entities unaffected or result in any GPS Entities being adversely affected, then, without limiting any other rights of the GPS Entities otherwise set forth in this Agreement, TELUS shall promptly propose to the GPS Group, in writing, any one or more of the following options that it reasonably believes would not be unlawful, providing such further details as the GPS Group may reasonably request:

- (a) any work around at no additional cost or expense to the GPS Entities; or
- (b) any functionally similar alternative services to the affected Services or services at the same or lower Fees and same terms and conditions before the Regulatory Event.

33.5.4 Each affected or potentially affected GPS Entity shall have the right, in its sole and absolute discretion to either:

- (a) accept any proposal under section 33.5.3, which shall be promptly implemented by TELUS at its cost and expense, with any accepted work around or alternative services being deemed to be a Change Request initiated by TELUS and otherwise governed in accordance with section 9 provided, however, that no additional Fees or costs shall be payable by the GPS Entities and the GPS Entities shall not otherwise be adversely affected by such change (including by Service Levels or scope of Services);
- (b) elect to treat such Regulatory Event as a material breach by notice of the same to TELUS;
- (c) Cancel the applicable Services without payment of any termination or other Fees, subject to section 33.2.3; or
- (d) a combination of paragraphs (a) and (c) above as determined by the GPS Entity.

33.5.5 For greater certainty, no Regulatory Event shall be a Force Majeure Event.

34. GENERAL

34.1 Appropriations and Approvals

34.1.1 Notwithstanding any other provision of this Agreement, the payment of money by the applicable GPS Entities to TELUS under this Agreement is subject to:

- (a) there being sufficient monies available in an appropriation, as defined in the *Financial Administration Act* (British Columbia), to enable the applicable GPS Entities, in any fiscal year or part thereof when any payment of money by the applicable GPS Entities to TELUS falls due under this Agreement, to make that payment; and
- (b) Treasury Board, as defined in the *Financial Administration Act* (British Columbia), not having controlled or limited, under the *Financial Administration Act* (British Columbia), expenditure under any appropriation referred to in paragraph (a) above.

34.2 Notices

34.2.1 Any notice, designation, communication, request, demand or other document, required or permitted to be given or sent or delivered hereunder to any party shall be in writing and shall be sufficiently given or sent or delivered if it is given or delivered by personal delivery to such party, sent to the party entitled to receive it by registered mail, postage prepaid, mailed in Canada addressed in the manner described below, or sent to the party entitled to receive it by fax.

34.2.2 Notices shall be sent to the following addresses or fax numbers:

- (a) In the case of the Administrator:

4000 Seymour Place
Victoria, BC V8X 4S8

Attention: TSMA Administrator

Fax number: 250-387-1940

- (b) In the case of the Province:

4000 Seymour Place
Victoria, BC V8X 4S8

Attention: Assistant Deputy Minister, Network BC

Fax number: 250-387-1940

- (c) In the case of Insurance Corporation of British Columbia:

Insurance Corporation of British Columbia (ICBC)
151 West Esplanade
North Vancouver, B.C.
V7M 3H9

Attention: CIO

FAX: 604-982-2449

- (d) In the case of British Columbia Hydro and Power Authority:

BC Hydro and Power Authority
333 Dunsmuir Street
Vancouver, BC V6B 5R3

Attention: Adam French, Telecommunications Manager

Fax Number: (604) 623-4203

- (e) In the case of British Columbia Lottery Corporation:

British Columbia Lottery Corporation
74 W. Seymour Street
Kamloops, BC V2C 1E2

Attention: Manager, Network Technologies

Fax Number: (250) 828-5680

- (f) In the case of Workers Compensation Board of British Columbia:

Workers' Compensation Board of BC
6951 Westminster Hwy
Richmond, BC V7C 1C6

Attention: Anne Naser / Todd Yule

Fax Number: (604) 276-3347

- (g) In the case of Provincial Health Services Authority:

Provincial Health Services Authority
700 – 1380 Burrard Street
Vancouver, BC V6Z 2H3

Attention: Don Henkelman, Chief Information Officer

Fax Number: (604) 708-2750

- (h) In the case of Northern Health Authority:

Northern Health Authority
300-299 Victoria Street
Prince George, B.C.
V2L 5B8

Attention: CIO, Northern Health Authority

FAX: (250) 565-2640

- (i) In the case of Interior Health Authority:

Interior Health Authority
2355 Ackland Rd.
Kelowna, B.C.
V1X 7X9

Mal Griffin, Chief Information Officer

FAX: (250) 491-6711

- (j) In the case of Fraser Health Authority:

Fraser Health Authority
300 – 10334 152A Street
Surrey, BC V3R 7P8

Attention: President and CEO

Fax Number: 604.587.4666

(k) In the case of Vancouver Island Health Authority:

Vancouver Island Health Authority
1952 Bay Street,
Victoria, BC, V8R 1J8

Attention: Dave Thompson (for Network Services) / Maureen Bomford (for Voice Telecommunications)

Fax Number: (250) 370-8169 – Dave Thompson / (250) 370-8477 – Maureen Bomford

(l) In the case of Vancouver Coastal Health Authority:

Vancouver Coastal Health Authority
11th floor, 601 West Broadway
Vancouver, BC

Attention: President & CEO

Fax Number: 604-875-4750

(m) In the case of TELUS:

826 Yates Street
Victoria, BC V8W 2H9

Attention: Director, BC Public Sector

Fax number: 250-382-9428

34.2.3 Any party may change its address or fax number for notices upon giving not less than twenty (20) Business Days' prior written notice to the other parties in the manner provided in this section 34.2. Any demand, notice or communication shall be deemed to be made or given when actually received by the recipient party.

34.3 Severability

34.3.1 Subject in all cases to section 33, if any provision contained in this Agreement or its application to any Entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such provision to Entities or circumstances other than those to which it is held invalid or unenforceable, shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law. In addition, any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. In respect of any provision determined to be unenforceable or invalid in a British Columbia court of competent jurisdiction, the parties agree to negotiate in good faith to replace the unenforceable or invalid provision with a new provision that is enforceable and valid in order to give effect to the business intent of the original

provision to the extent permitted by British Columbia and Canadian law and in accordance with the intent of this Agreement.

34.4 Entire Agreement

34.4.1 This Agreement (including the Schedules, the Change Orders issued hereunder and documents incorporated herein by reference) together with the other Transaction Agreements constitute the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any other prior agreements, undertakings, declarations, commitments, representations, warranties, conditions, promises and understandings, whether written or oral, in respect thereof.

34.5 Amendments

34.5.1 No term or provision of this Agreement may be amended except by written instrument signed by each of the parties hereto (subject to the rights of the Administrator under section 13.2), by a Change Order as contemplated in section 9, or by a unilateral notice or declaration given or made by one party pursuant to the terms of this Agreement in respect of a change or amendment that such party is entitled to make hereunder without requirement for Approval or agreement of the other party or parties.

34.6 No Liens or Charges Against GPS Entity Assets

34.6.1 Except as expressly provided in this Agreement, TELUS covenants and agrees to protect and keep free all assets of the GPS Entities, including, without limitation, all GPS Entity facilities and Sites on or in which TELUS is performing any portion of the Services and any and all interests and estates therein, and all improvements and materials now or hereafter placed thereon under the provisions of this Agreement, from any and all liens, claims, liabilities, security interest, encumbrance, pledge, mortgage or charge of any kind. If any such lien is filed as a result of any action or omission of TELUS or any member of TELUS Group, then TELUS will promptly notify the GPS Entity by providing a copy of the lien claim and cause such lien to be satisfied or otherwise discharged within ten (10) Business Days. If any such lien is filed or otherwise imposed, and TELUS does not cause such lien to be released and discharged forthwith, the GPS Entity has the right, but not the obligation, to pay all sums necessary to obtain such release and discharge or otherwise cause the lien to be removed to the satisfaction of the GPS Entity and set off such amounts against the Fees.

34.7 Waivers

34.7.1 Failure by a party to insist in any one or more instances upon the strict performance of any one of the terms, provisions or covenants contained in this Agreement shall not be construed as a waiver or relinquishment of such term, provision or covenant. No consent or waiver, express or implied, by a party to or of any breach or default by another party in the performance by such other party of any term, provision or covenant hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default such other party hereunder. No waiver of any breach of any term, provision or covenant of this Agreement shall be effective or binding unless made in writing and signed by the waiving party.

34.8 Further Assurances

34.8.1 Each of the parties shall, from time to time, execute and deliver all such further documents and instruments and do all such further acts and things as the other parties may reasonably require to carry out or better evidence or perfect the full intent and meaning of this Agreement.

34.9 Obligations as Covenants

34.9.1 Each obligation of a party in this Agreement, even though not expressed as a covenant, is considered for all purposes to be a covenant.

34.10 Joint Drafting

34.10.1 The parties have jointly contributed to the drafting of this Agreement (including the Schedules and the Change Orders), the Service Orders and Service Change Orders. Accordingly, it is the intention of the parties that the principle of *contra preferentem* shall not apply with respect to interpretation matters.

34.11 Transaction Fees and Commissions

34.11.1 Each party shall be responsible for and pay its respective legal and accounting costs and other expenses incurred in connection with the preparation, execution and delivery of this Agreement (including all prior steps and actions taken in respect of the procurement and negotiations) and all other documents and instruments executed pursuant hereto or the transactions contemplated hereunder.

34.12 Survival

34.12.1 All terms and conditions of this Agreement including, without limitation, sections 1.1 to 1.4, 1.6, 13.3, 17.5, 17.6, 19, 20.1, 20.2, 20.7, 21, 22, 23, 24, 26, 27, 28, 31, 32, 33 and 34 and Schedules A, Q and Y, which by their nature are intended to survive termination of this Agreement will continue in full force and effect subsequent to and notwithstanding any termination of this Agreement.

34.13 No Partnership or Joint Venture

34.13.1 This Agreement establishes and shall only be construed as establishing a contract between unrelated business entities for the provision of certain services and does not and shall not be construed or deemed to create or constitute a partnership or joint venture relationship between the parties and each party hereby expressly disclaims any intention to create a partnership or a joint venture or to constitute the other parties as its agent (except as expressly provided in this Agreement) with respect to the subject matter hereof. Each party shall be independently and solely responsible for all obligations arising in connection with its own employees (including any obligations incumbent upon such party as an employer such as the payment of benefits and the withholding and remittance of applicable source deductions in respect of its employees).

34.14 Language

34.14.1 The parties have agreed that this Agreement and all documents related thereto shall be drafted in the English language. Les parties aux présentes ont convenu que cette convention et tous les documents qui s'y rapportent soient rédigés en langue anglaise.

34.15 Choice of Law and Forum

34.15.1 This Agreement shall be governed by the laws of the Province of British Columbia and any matter regarding its interpretation and application, and all disputes arising under or in any connection with the Agreement shall, subject to section 28, be within the exclusive jurisdiction of the Courts of British Columbia as stipulated in the following section 34.15.2.

34.15.2 Subject to section 28, the parties irrevocably agree to and hereby accept and attorn to the exclusive jurisdiction of the Courts of British Columbia for any and all claims that they may have related in any way to this Agreement and its renewal or non renewal and all disputes relating hereto or hereunder, and the parties hereby irrevocably covenant and agree not to commence any action or bring any claim in any other forum whatsoever, be it domestic, foreign or international (including, but not limited to the North American Free Trade Agreement), relating in any way to this Agreement, or its renewal or non renewal, or any dispute relating hereto or hereunder.

34.16 Change of Laws

34.16.1 TELUS hereby acknowledges and affirms that its costs involved in performing its obligations under this Agreement are, in part, based on governmental laws, regulations and policies in force at the time this Agreement was entered into and subsequently, and that such governmental laws, regulations and policies are subject to change without notice. Any such change could result in a material change in TELUS' costs of performing its obligations hereunder. TELUS specifically acknowledges and affirms that any such change that has the effect of increasing TELUS' costs of performing its obligations hereunder will not effect those obligations, nor will such actions constitute expropriation or be tantamount to expropriation at domestic or international law (including, but not limited to the North American Free Trade Agreement) and will not constitute grounds for asserting any Claim whatsoever under domestic law or any international agreement (including, but not limited to, Chapter Eleven of the North American Free Trade Agreement and the General Agreement on Trade in Services). For clarity, to the extent that there is a conflict between this section and section 9, the terms of section 9 shall prevail.

34.17 No Fettering of Legislative Authority

34.17.1 Nothing in this Agreement shall be construed as an agreement by the GPS Group to restrict, limit or otherwise fetter in any manner the Province's ability to introduce, pass, amend, modify, replace, revoke or otherwise exercise any rights or authority regarding legislation, regulations, policies or any other authority of the Province.

34.18 Binding Effect

34.18.1 This Agreement shall be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns.

34.19 No Third Party Beneficiaries

34.19.1 Nothing in this Agreement, express or implied, is intended to confer upon any Entity (other than the parties, their Affiliates, where applicable, such other Entities as expressly contemplated hereunder, and their successors and permitted assigns), and the indemnified parties who are expressly indemnified pursuant to the provisions of this Agreement, any rights, benefits or remedies of any kind or character whatsoever and no Entity shall otherwise be deemed to be a third party beneficiary under or by reason of this Agreement.

34.20 Counterparts

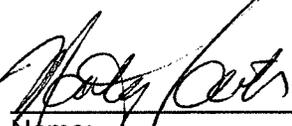
34.20.1 This Agreement may be executed in several counterparts and delivered by electronic transmission, each of which when so executed and delivered shall be deemed to be an original. Such counterparts together shall constitute one and the same instrument, notwithstanding that all of the parties are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

34.21 Several Liability

34.21.1 TELUS AND EACH GPS ENTITY EXPRESSLY ACKNOWLEDGE AND CONFIRM THAT THE LIABILITY OF EACH GPS ENTITY HEREUNDER IS SEVERAL AND NOT JOINT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE PARTIES HERETO ACKNOWLEDGE AND CONFIRM THAT NO REFERENCE TO "GPS GROUP", "GPS ENTITIES" OR ANY OTHER COLLECTIVE REFERENCE TO MULTIPLE GPS ENTITIES HEREUNDER SHALL IN ANY MANNER IMPOSE OR CREATE ANY JOINT LIABILITIES OF THE GPS ENTITIES.

EXECUTED, for and on behalf of the parties by their duly authorized representatives on the dates below.

TELUS COMMUNICATIONS COMPANY

By: 
Name: _____
Title: PRESIDENT
TELUS, ENTERPRISE

**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 and as agent for and on behalf
of each of the other GPS Entities**

By: 
Name: Kim Henderson,
Title: Deputy Minister, Citizens' Services and Open Government